

084096

JPRS-NEA-85-009

20 January 1985

Near East/South Asia Report

DTIC QUALITY INSPECTED 4

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

19980306 147

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20 January 1985

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EGYPT

MINISTER DESCRIBES DOMESTIC COMMODITY SUPPLY PROBLEMS

London AL-SHARQ AL-AWSAT in Arabic 12 Nov 84 p 4

[Interview with Supply Minister Naji Shatlah: "Increased Production Is the Only Way To Limit the Phenomenon of Constant Price Increases"]

[Text] The rise in prices, the increase and guidance of consumption, bread and bread production capacity are all subjects which take up the preliminaries of the lengthy discussions being held everywhere in Egypt. AL-SHARQ AL-AWSAT met with Dr Naji Shatlah, the Egyptian minister of supply, and he provided some insights into the problems in a lengthy conversation.

He said, "The phenomenon of price increases is an international one and every country in the world is suffering from it. In Egypt price increases can be attributed to two causes. First is the deficit in the general government budget, which comes to 1.5 billion pounds this year, and the second is Egypt's purchase of 50 to 60 percent of strategic crops, such as wheat and flour, as well as some foodstuffs such as oil, sugar and tea, at a price of 70 piasters to the dollar from the Central Bank complex. The remaining commodities, such as meat, fish, poultry and leguminous vegetables, will be bought directly from the complex of banks, and this [rate] is always constantly increasing; by now it has come to 127 piasters to the dollar. Therefore the budget deficit and the scarcity of the government's dollar revenues are among the factors which make the phenomenon of price increases threaten societies from time to time."

[Question] Mr Minister, do you have any ideas about the possibility of limiting the rise in prices?

[Answer] Our tendency must be to encourage increased production and support the system of the internal marketing structure, especially in the circumstances we are suffering from, in terms of the population increase and at the same time the emigration of trained labor and these old accumulated burdens, for instance by determining the goal in the need to increase production, in particular agricultural production, and removing restrictions from that.

Now the demand for dollars to import foodstuffs is much greater than the supply, and a deficit in the balance of payments of \$2 billion has resulted

from that. If we compare exports to imports, we will find that there is a great gap between revenues and expenditures. It is clear, after that, that increasing production is the road open to us to limit the rise in prices.

[Question] What preparations has the Ministry of Supply made to increase production as a means to limit the rise in prices?

[Answer] The Egyptian Supply Ministry's working philosophy in the coming stage will be to encourage producers and eliminate all restrictions on them, and also to eliminate compulsory pricing, which has been proved to obstruct increased vegetable and fruit production, provided that the alternative to pricing, which will at the same time help increase production, be the "profit margin," after that has been determined with the producers, so that we can inhibit greed in the various stages of transactions which exist among wholesalers and retailers.

I can give an example in the form of limited experiments which are being made in some countries to regulate markets, with provisions on market surveillance, while not resorting to pricing, such as the Turkish experiment, where sellers undertake to set out two prices on a single commodity, the first their price for purchasing the commodity from the wholesalers and second their price for selling it to the consumer, after the specific profit margin, which has been agreed to in accordance with decrees whose execution is binding with the utmost care and determination, has been added to it.

Cooperation by the People To Put Pressure on Prices

[Question] Have actual steps been taken to carry out the ministry's policy?

[Answer] We have formed two committees to determine the real cost of commodities and crops. The former is made up of the Supply Ministry, the Ministry of Industry, the chambers of commerce and the chambers of industry, while the second is made up of the Ministries of Supply and Agriculture and wholesalers and retailers. On the basis of that, we can determine feasible profit margins for producers, wholesalers and retailers, so that the goods can reach the consumer at uninflated prices. This is a guidance method to ascertain the extent of price speculation.

We are anxious to determine a feasible profit margin for producers in order to encourage them to increase their production, so that the commodity will be delivered at a suitable price, after its supply increases.

The second part of the ministry's policy, which is to control and oversee prices, lies in the attainment of price oversight and discipline within markets. The Ministry of Supply, with all the people working in it, is concerned now only with controlling prices. There are oversight departments, supply investigators' offices and other auxiliary bodies. It is not feasible for all of them to control prices unless the people help them in that.

The minister explained: "Help from the people in controlling and keeping pressure on prices can come about in two ways: the first is the people's concern over their right to buy commodities at their set price, without any

increase, and rapidly giving notice of anyone committing violations so that they may be given deterrent punishment for speculating in the people's livelihood. The second is that the consumer should acquire new forms of behavior, which are that everyone should know that what he receives is what he is entitled to, and that he should take that and no more, because taking more would entail depriving others of what they are entitled to; otherwise, the affluent will pay more than has been determined, which is more conducive to harm than to benefit and will set off a mad rush to store up commodities, although everyone should just get what he needs.

"In addition, it is necessary to form a league for consumers and a league for housewives such as is happening in the countries of Europe. These people impose boycotts on commodities as soon as they feel that merchants are inflating their prices, and thus they come to have an effective role in influencing prices in order to stabilize them."

The Sector of Agriculture First of All

Dr Naji Shatlah, the Egyptian supply minister, added that the sum of \$2 billion had been allocated to the Supply Ministry in the fiscal budget for 1984-85 in Egypt, on the basis of the estimated budget for importing foodstuffs, and the sum of 1.8 billion pounds from the subsidy budget had been allocated to the Supply Ministry to subsidize [the difference in] foodstuffs between the purchase price and the sales price subsidized socially on behalf of the consumer.

Therefore, in order to limit these immense sums, it is necessary to emphasize the agricultural sector, because it is Egypt's hope in the coming period for providing goods and products at moderate prices, instead of importing many of them, and will enable the government to provide producers in the two sectors with the best fertilizers, the best seeds, the best irrigation methods, the best agricultural mechanization, the best types of [pest] resistance, and the best guidance, so that we can get the best production of all crops at the lowest prices from these producers, while establishing agricultural processing for the remaining production. We will have a league for integrated government and private sector activities. It will start with substantial production then will market it in its own distribution outlets. Some small industries will be established to create substantial production in the case of what is left over.

The minister said, "We are earnestly trying to cover distribution outlets of products in all areas of the Egyptian capital and various Egyptian governorates so that the goods will be distributed without the action of intermediaries."

"One fortuitous approach in this regard has been the opening of sales outlets for fresh and processed agricultural and livestock products which the al-Salihiyah farms have operated. So far the ministry has established 20 outlets, which I hope will come to 100 in the coming year, with God's permission."

"The Ministry of Supply companies are also helping to sell the products of Ministry of Agriculture and the Valley Crop Exporting Company farms at cost to create price balance among products, as happened in the grape season and the orange season, where we flooded the markets at the price of the cost at which they were supplied to the consumer."

New International Agreements

[Question] What about wheat, as a strategic commodity?

[Answer] The ministry provides the country's requirements of wheat and flour by importing them from abroad at \$1 billion, that is, about 50 percent of the cash budget. We are always anxious to provide a strategic reserve for a period of 3 months, at the rate of 350,000 tons a month -- that is, we have 1 million tons for 3 months as a strategic reserve under all emergency circumstances. Per capita consumption of wheat in Egypt increased from 84 kilograms in 1961 to 196 kilograms in 1983, and while Egypt constitutes 1 percent of the world's population, it consumes 6 percent of the world wheat surplus.

It is not reasonable that we should consume this great share of the reserve without guidance in the use of wheat as a strategic commodity. If this is the share that exists now, what will we do in coming years?

In order to apply the policy of guiding wheat as a strategic commodity, the ministry, for the first time, has signed an agreement to supply wheat to Egypt with the governments directly. We can save the government much money and obtain credit and banking facilities for repayment. Among these agreements is the Australian agreement, where the ministry signed an agreement with the Australian Wheat Board directly by virtue of which Australia will supply 10 million tons of wheat over a period of 5 years at a rate of 2 million tons a year with a grace period of 1 year and repayment over 3 years.

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CSO: 4504/104

EGYPT

EMIGRATION AFFAIRS MINISTER DESCRIBES VARIOUS OUTSTANDING PROBLEMS

London AL-SHARQ AL-AWSAT in Arabic 7 Nov 84 p 10

[Interview with Albert Salamah, Minister of Affairs of Expatriate Egyptians: "A Period of 6 Months To Settle the Draft Status of Egyptians Abroad"]

[Text] When the Egyptian president, Husni Mubarak, was asked in his conversation with AL-SHARQ AL-AWSAT about the conditions of Egyptian expatriates and what the Egyptian government was offering them, his answer was that Albert Barsum Salamah, the minister of state for affairs of emigration and expatriate Egyptians, had a thorough, comprehensive answer on this subject.

AL-SHARQ AL-AWSAT turned to Minister Albert Barsum Salamah and directed the question to him, in addition to a group of other questions, which made up this interview.

[Question] In his interview with AL-SHARQ AL-AWSAT, the Egyptian president, Husni Mubarak, dealt with the conditions of Egyptians working abroad. In his statement at the second general conference on expatriate Egyptians he also laid emphasis on the need to establish firm ongoing relations between Egypt, the motherland, and its children abroad. What is the nature of the services the government performs for its people who have emigrated? Is there any intention to develop these services?

[Answer] The president's directives on the need to establish firm, ongoing relations between Egypt the motherland and its children abroad stress the extent of his interest and concern that the nation's care for all its children, domestically and abroad alike, be comprehensive. I am happy to mention the cogent statement which appeared in his speech: "Egypt belongs to all the Egyptians on its territory and outside it; even if they are thousands of miles away, affiliation with the soil of Egypt does not know geographic and international boundaries, and it is not bound by time or generations." Therefore, the first objective in the establishment of a ministry devoted to that and the issuance of the law on migration and the care of expatriate Egyptians is this fact which the president has declared. I consider that it entails a directive and good, splendid incentive for commitment to the responsibilities embodied in Presidential Decree 574 for 1981 regarding my areas of competence as a minister of state for the affairs of emigration and

expatriate Egyptians. There are things which might be mentioned in turn, as is said -- the honorable position of President Mubarak, which your honored newspaper sensed when it asked this very question of the president, which you see me in the process of answering. The president's response, as your newspaper published it, was:

"I believe that the person who can talk on this subject is the minister of emigration affairs, Albert Barsum Salamah, who can talk to you about many of the facilities which are offered to them."

In fact, the services and facilities which the Ministry of State for the Affairs of Emigration has offered, and is offering, in cooperation with the various ministries and agencies concerned, involve numerous areas, and they flow constantly through channels which are expanding and developing day by day. The republican decree which spells out the areas of specialization of the Ministry of State for Affairs of Emigration that I have referred to sets out the dimensions of the areas of competence and calls for the following:

Numerous Services

The effort to offer educational, tourist or economic services or facilities to Egyptians and their children abroad, support and consolidate their relations with Egyptian embassies and consulates and provide the newspapers in areas of emigrants with truthful, complete information about national issues.

The establishment and organization of conferences and symposia domestically or abroad to support national issues and contact entities, societies, federations and other bodies which are concerned with the affairs of Egyptians abroad.

Setting out a comprehensive policy on the emigration of Egyptians in light of the goals of national, social and economic development and the country's national interests.

The ministry has realized many achievements in the relatively short period it has covered since its establishment, which does not exceed 3 years. These achievements include essential organizational and legislative tasks, such as the issuance of the law on emigration and the care of expatriate Egyptians, along with its explanatory memorandum and executive bill and the ministerial decrees organizing activity regarding the care of expatriate Egyptians. They also include the holding of the annual general conference for expatriate Egyptians which has been held in the nation twice so far. In the course of the conferences, recommendations were issued which, in the case of the first conference, held in 1983, which included 34 recommendations, have been carried out.

The recommendations of the second general conference held last August are being carried out now. The number of these recommendations came to 58, and people reached the unanimous opinion that they were important and necessary for the sake of the interests of the nation and its expatriate people, in the course of discussions in the five committees of the conference, [that

on] the care of expatriate Egyptians, the main committee whose chairmanship I have assumed, the economic committee, the committee on training, development and accreditation, the committee on insurance and housing, and the committee on emigration and factors which have an influence on that.

Problems and Accomplishments

The fact is that it is hard to enumerate the achievements, facilities and services which have been realized. It is enough for me to mention, among them, by way of example but not exclusively, the following:

The solution and treatment of the problems the Egyptian communities and societies have raised in various countries of emigration, including residence and work problems, on which direct contacts have been made with officials in the host countries, and also the problems of the draft, the equivalency of academic qualifications, Arabic language teaching for the young generation and other problems.

The establishment of and support for Egyptian houses abroad, supplying them with informational and cultural materials, supplying schools holding Arabic language classes with books and curricula, and making the effort to supply them with the Egyptian teachers they need.

Support for Arabic newspapers and magazines which are issued in the countries of emigration and supplying them with the information and materials they need.

Issuance of a series of "guides for expatriate Egyptians," three parts of which have been issued and distributed among Egyptian communities and societies in various countries of the world. The fourth part of this guide, which is aimed at providing comprehensive information and data on the measures, laws, issues, organizations and agencies which emigres and people wanting to migrate need, from the standpoints of dealing with the nation or host countries, is now being prepared.

The issuance of Law 111 for 1983 on emigration and the care of expatriate Egyptians which represents integrated legislation whose provisions deal with the treatment of the issue of emigration, matters dealing with the required care for emigrants and ways and means for realizing constant interlinkage and interconnection between them and the nation.

The establishment of the Investment and Development Company of Expatriate Egyptians, a fruit of the first general conference of expatriate Egyptians. It actually started its activity after its charter was approved and its board of directors was formed as the second general conference for expatriate Egyptians was meeting. With the establishment of this company, an opportunity has been provided for expatriate Egyptians to invest their money and savings and at the same time to help serve development projects in the nation.

The General Federation of Egyptians

The minister of state for the affairs of expatriate Egyptians went on to state that the first general conference for expatriate Egyptians which was held in August 1983 recommended the establishment of a general federation for expatriate Egyptians and branch federations in places where there were Egyptian expatriate communities, in host countries where the authorities permitted the establishment of this sort of branch federation.

Agreement was reached on the federation's charter at the second general conference, which was held in August 1984, and the Ministry of State of the Affairs of Emigration and Expatriate Egyptians was assigned to take the necessary measures for declaring and registering it.

[Question] Egyptians residing abroad have numerous requests for information bearing on draft problems. What facilities has the ministry offered them?

[Answer] The Ministry of Defense has sent more than one committee to Egyptian communities abroad to resolve the draft problems facing their young expatriates, and Field Marshal Muhammad 'Abd-al-Halim Abu Ghazalah, the deputy prime minister, minister of defense and war production and commander general of the armed forces, has issued a number of directives to the agencies of the Ministry of Defense and also the armed forces general command to make it easy for Egyptians abroad to solve their problems. A decree has been issued giving a grace period of 6 months for the renewal of passports of expatriate Egyptians who have not obtained draft treatment, in order to make matters easy for young expatriates in the country of America, Europe and some Arab countries.

[Question] What has the ministry offered with respect to housing problems?

[Answer] While the second general conference of expatriate Egyptians was being held, the minister of redevelopment and new communities issued a decree allocating 8 percent of the housing in new towns to Egyptians abroad.

The Conditions of Egyptians in Jordan

[Question] Let us move on in our discussion to another detail, which is the conditions of Egyptian workers in the Arab countries, especially Jordan. Has there been any noticeable progress in these conditions?

[Answer] President Muhammad Husni Mubarak's visit to the fraternal country of Jordan had a great effect on Egyptians in Jordan, since King Husayn issued a decree giving Egyptians working in Jordan equality with their Jordanian fellow workers.

These are some of the general, comprehensive achievements, services and facilities which have actually been realized. In this regard I have not mentioned the solutions of many problems that have been realized on the individual level and the provision of many facilities which the people involved present in the course of direct meetings in my office in the ministry or through letters, since the affairs of individual emigrants who are exposed

to given problems concern us fully, as long as they are in the right, as the problems and issues of the Egyptian group and expatriate community concern us.

Regarding the development of services, as stated in the question, that is not just a matter of intent; it is also a matter of orientation which is indeed relevant and is included in the ministry's plan of action, which has been carried out since the holding of the second general conference of expatriate Egyptians last August. There is constant expansion in the performance of various educational, cultural, media, tourist and economic services, and I believe that the establishment of the general federation of expatriate Egyptians constitutes one of the basic pillars for the expansion of projects to provide care and realize further services and facilities from which all the Egyptian communities in the various countries of emigration can benefit.

[Question] The president also raised the issue of establishing an agency of discussion and conversation to guide young people who want to emigrate and work abroad. This issue extends to make the job of the Emigration Ministry one of serving Egyptians domestically as well. What executive steps have been taken to establish this agency?

[Answer] There are two subjects being studied now and they are both of a high level of importance. At the same time, there is a large amount of interconnection between them, to the point where it is proper to say that the first of them, which bears on the study of foreign labor markets, constitutes, on the basis of its conclusions, a basic foundation with respect to the second subject, which is the study of the establishment of a special agency to guide young Egyptians who want to emigrate (temporarily or permanently) to job sites and opportunities abroad and their living conditions. The ministry has devoted great attention to these two subjects, and the efforts of the study have been connected, and still are connected, as far as the first subject goes.

As regards the second issue, the study has been completed on that, and a memorandum has been prepared which contains thorough research which firmly establishes the subject from the legislative standpoint, its legal documents and its existing steps and limits as regards the areas of competence of the Ministry of State of the Affairs of Emigration and Expatriate Egyptians.

Before I talk about some points in this research work, I would like to stress that the president's appeal has been concentrated on the orientation toward study, because the government in all the steps, programs and projects in its proceedings commits itself to planning and study so that every achievement may be made as it ought to, and execution can occur in the proper manner.

[Question] The conference recommended that the possibility of getting expatriate Egyptians to take part in general elections and referendums carried out in Egypt be studied, in order to reaffirm their affiliation. How can this recommendation be carried out?

[Answer] I would like to point out first of all that all the recommendations of the second general conference on expatriate Egyptians (which numbered 58) were the object of study aimed at execution, from the time they were issued, and some of these recommendations entered into the area of actual execution, after their dimensions became apparent and their various technical and legislative aspects and requirements and other needs for sound execution were studied.

As regards the recommendation that was the subject of the question, a study was prepared which clarified the legal and legislative aspects which carrying out this recommendation would require.

[Question] What has been done so far in the way of establishing Egyptian houses in countries of emigration?

[Answer] The subject of establishing Egyptian houses abroad, where there are Egyptian communities, has been the subject of my interest personally since the establishment of the ministry. During the work tours during which I visited seven countries in Europe, and in the course of my direct and indirect contacts with many members and leaders of Egyptian communities in various countries of the world, I was concerned with the appeal to establish these houses, in accordance with what the laws of the host countries allow. I explained the role of these Egyptian houses, which have the goal of bringing together Egyptians to engage in various cultural, social, scholarly and educational activities, strengthening relations among them and supporting their ties with the nation.

So far, Egyptian houses have been established in most of the foreign countries in which there are concentrations of Egyptians, in North and South America, in Europe and in Australia. Such houses have been established in many fraternal Arab countries and African countries, and the ministry has offered material and moral support for these houses and has supplied them with informational and cultural materials. It has also been concerned to supply the houses which include classes for Arabic language instruction with books and curricula for Arabic language, religious education and history courses and various cultural and national publications.

The Company of Egyptian Expatriates

[Question] Where does the company of Egyptian expatriates stand? What contribution can it realize for Egyptians abroad and at home at the same time?

[Answer] The Investment and Development Company for Egyptian Expatriates, which is one of the fruits of the resolutions of the first general conference on expatriate Egyptians, now exists in legal, practical form, since its general assembly met in the afternoon of the first day of the second general conference of expatriate Egyptians and the election of the board of directors whose first meeting was held on 14 August, electing Eng Mashhur Ahmad Mashhur chairman of the company board. The company is now engaging in the tasks of its work and its responsibilities. As is well known in accordance with the goals of its establishment, this company, as a holding company, has the aim of investing and putting to use the money and savings of Egyptians

abroad in projects which its board approves, including industrial and agricultural fields and other activities which contribute to the execution of the country's economic development plans and also serve the needs of housing, exports, tourist activity and other things in areas which are of interest to Egyptian expatriates.

[Question] Could you say a word to the people of Egypt who are emigrants on the pages of AL-SHARQ AL-AWSAT?

[Answer] Let me tell every Egyptian who is an emigrant, whether he is on permanent or temporary emigration, always to remember the statement by President Muhammad Husni Mubarak at the opening of the second general conference of Egyptians abroad: "Affiliation with the soil of Egypt does not know geographic and international boundaries and is not set by time or generations. It is an affiliation of love and custom, an affiliation of a single interconnected, coherent family, an affiliation of devotion and pride for the precious land which offered the first civilization thousands of years ago to human society everywhere."

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CSO: 4504/104

NEW WORK PERMIT REGULATIONS ISSUED

London AL-SHARQ AL-AWSAT in Arabic 13 Nov 84 p 3

[Article: "Fees for Permits Are 102 Pounds for People with Higher Credentials; Applications To Be Submitted to Consulates in the Case of People Who Are Abroad"]

[Text] Ahmad Rushdi, the minister of the interior, has decided to impose fines on airline and shipping companies which dispense travel tickets to citizens without permits from visa officers in airports and ports and do not carry out the new instructions with full care.

The Egyptian Ministry of the Interior had decreed that no citizen would be allowed to travel abroad to work as of 1 November unless he obtains a work permit.

Work permits up for people who have obtained higher credentials are written up after payment of 102 pounds the first time and 162 pounds upon renewal, and, in the case of intermediate credentials or no credentials, 77 pounds for the first time and 127 pounds upon renewal. The permit is obtained from the Work Permit Department of the Ministry of the Interior in Cairo, its branches in Shubra, Hilwan and Heliopolis, its offices in Cairo Airport, the ports of Alexandria and Suez, and its branches in Alexandria, al-Minufiyah, al-Qalyubiyah, al-Sharqiyah, al-Gharbiyah, al-Daqahliyah, al-Isma'iliyah, Giza, al-Fayyum, Bani Suwayf, al-Minya, Asyut, Sawhaj, Qina and Aswan.

Egyptians abroad can obtain work permits from Egyptian consulates in the countries in which they reside.

Facilities for Taking Delivery

Maj Gen Muhammad 'Abd-al-Halim Musa, director of general security, pointed out that permits are drawn up in 24 hours in the case of people on loan from the government and the private sector and people who have received leaves without pay to work abroad, while they are drawn up in 48 hours for people working in the private sector.

The goal in the new instructions is considered to be to prevent Egyptians from working in suspicious organizations, choose the proper personnel to represent the country abroad, make count of them, protect them from exploitation, set out rules on the emigration of Egyptian labor and obtain new revenues to support the general budget now that remittances from Egyptians abroad have declined to 157 million pounds between June and September.

The Required Documents

Maj Gen Muhammad 'Abd-al-Halim Musa said:

"Obtaining work permits requires the preparation of the following documents:

"An application on the form prepared for that purpose in the Work Permit Department or its branches or Egyptian consulates.

"A letter from the last body in which the citizen worked within the country showing that he has been discharged and giving the reasons for the termination of his service.

"A copy of the identity or family card and the passport (for information).

"A statement that the citizen's draft status has been removed, if he was drafted.

"A statement of agreement to travel from the working entity in the case of people on loan, appointees and people receiving leaves without pay from the government or the public sector.

"Provision of the tax amount, which is 50 pounds for people holding higher qualifications and 25 pounds for others per year. It is possible to provide the amount to the treasury of the permit department or by postal money order in the name of the director of general security.

"The application will be accompanied by a work contract approved by the Ministry of Manpower." Deputy minister Nawal Saqr asserted that the goal in this is to make certain of the seriousness of the work contract and the compatibility between the wage and the specialization and profession in addition to provisions governing oversight over the employment offices which have permits to employ Egyptians to work abroad.

The general security director said that these instructions are subject to Law 173 issued in 1958 which prohibits Egyptians from working abroad without receiving agreement from the Ministry of the Interior and will be applied retroactively in the case of the periods the citizens have spent abroad, not to mention Law 147 for 1984 on the development of revenues, which imposes a fee of 50 pounds when a work permit is drawn up and 100 pounds when it is renewed. This will be carried out as of this 5 October without retroactive effect.

Renewal Fees

In the event the citizen continues to work abroad when the permit period ends, it will be necessary to renew it by paying the stipulated fees, not to mention other fees equal to 6 pounds in the case of people whose income exceeds 100 pounds and 13 pounds from people whose income is greater than that [sic].

It is certain that the latest Ministry of Interior instructions will guarantee that Egyptian labor emigrating from the country is controlled and that new revenues are obtained for the general budget. In the past 20 days, these have come to more than 7 million pounds, the opposite of the case last year when work permits were drawn up for just 113,000 citizens out of the hundreds of thousands who traveled abroad with the objective of working.

It is well known that the number of Egyptians working abroad exceeds 4 million citizens, as Nawal Saqr, the deputy minister of manpower said. Their annual income on the average comes to \$10 billion, of which they remit just \$3 billion through legitimate channels; the rest is deposited in foreign banks or enters the country through hard currency middlemen.

In the Arab countries alone there are more than 2,962,000 Egyptians, broken down among: Iraq, 1.25 million, Saudi Arabia, 800,000, Libya, 300,000, Kuwait, 200,000, the Emirates, 150,000, Jordan, 125,000, Algeria, 35,000, Qatar, 25,000, the Sudan, 20,000, Syria, 15,000, North Yemen, 12,000, the Sultanate of Oman, 11,000, Morocco, 11,000, Bahrain, 6,000, Lebanon, 500, Somalia, 500, and Mauritania, 120.

11887

CSO: 4504/104

REGIONAL EFFORTS SEEN LEADING TO ARAB UNITY

Cairo AL-JUMHURIYAH in Arabic 18 Oct 84 pp 1, 3

[Editorial by Mahfuz al-Ansari: "Desired Program and Projects for Arab Unity"]

[Text] At this stage, when the Arab world is in a situation of fragmentation, disruption and division seen before only in times of decline and deterioration, some regions of this world are living in situations of unity and federation, cooperation and integration.

If we look to the east and southeast, we find the Gulf Cooperation Council, bringing together six Arab states.

If we look west, we see the Libyan-Moroccan federation.

Within the arch of this federation and to the southwest of it we find a third form of unity, bringing together Algeria, Tunisia and Mauritania under the name of the Friendship and Brotherhood Agreement.

At our heart and to the south we are experiencing, especially at present, a situation of integration between Egypt and Sudan.

Whatever your view of each of these forms of unity, of their advantages and effectiveness, the question is: do these four cases reflect the true Arab situation?

Do these forms or groupings, alliances and agreements meet the requirements of this stage?

Are they capable of confronting the danger of repelling aggression or preventing it? Or are they a rebellion against this situation, a statement of disbelief in what now exists?

Are these groupings an attempt to search for a better situation, a nucleus or starting point to begin to try to reach the desired and hoped for situation?

Are they the starting point for an Arab League, which now exists but has no role or effectiveness?

Or is the stage in which we are living today a stage of limited regional groupings, homogeneous in terms of people, geography, and standard of living, to be replaced later by a form which is about 40 years old, that is, the form of the strong grouping of forces represented in the Arab League, which encompasses a world stretching from the Gulf to the Mediterranean and reaching south deep into the heart of the African continent?

Or are they indicators of the end and the death agonies of the League, symbolizing Arab solidarity, as it breathes its last?

Perhaps the nature of the member states is dictated by their fortunate population density, with increasing foreign labor, and perhaps by the fact that all or most of them are producers and exporters of petroleum, out of concern for the need for similarity and likeness in social level and in political system and a desire that this club not admit states which have opposing political systems or a lower social level.

However, the size of the dangers which confront and threaten this regional alliance remain far greater than its abilities.

It is true that the Gulf Council is supplementing its organizations day after day and is moving from a stage of construction to one of putting the organization in its final form and supplementing its structure economically, in terms of security, militarily, and culturally.

In spite of this, even in its final or ideal form, it would be unable to meet or repel the danger and ward it off.

Iraq's experience in its long, devastating war is witness, although this war has had and still has the effect of arming the Gulf and protecting it from the advance of danger across the waters of the Gulf.

Thus, the security of this group does not lie in the self-produced ability of a single state or group, but in its nation, in its Arab surroundings, in the collective Arab strength, prepared to resist when danger approaches.

In the western part of the Arab world, the picture is more complex and stranger.

The natural thing to say is, if it was inevitable that unified entities would be established along the borders and sides of the whole Arab entity represented in the Arab League, or in the hoped for unity, then it is inevitable that these entities should take their natural and true regional form.

In the sense of the establishment of the large Arab Maghreb in its original dimensions, it would incorporate within its framework all of the states and small states making up the region, from Tunisia, Algeria, Morocco and Mauritania to the western Sahara.

If Libya wanted to turn west, it would be part of this society.

The concept of the greater Arab Maghreb is an old idea which has been the basis of organizations and committees. There is a permanent committee with headquarters in Tunisia which has been inactive for years, even before the years of tension.

The picture today is different. The desert struggle is part of the remaining links and ties to this greater Maghrib.

On the sidelines of this struggle are attempts and bids at forming axes or blocs.

These attempts once took the form of Libyan-Algerian unity, another time Libyan-Tunisian unity, and third and finally, Libyan-Moroccan unity, expressing with the slogan of unity "Heaven and Earth" two separate states, Tunisia and Algeria. Within this arch, this unity embraces another community in the name of friendship and brotherhood, including Tunisia, Algeria and Mauritania.

This strange form of alliance in the region defies logic. It has no basis in geography or political belief.

The region is full of minefields which might explode at any moment.

Before we leave these alliances, these federations, agreements and treaties, let us pause for a moment at unity or federation of a special type: a federation which has no name, agreement or treaty, but does exist. This is the Syrian-Lebanese situation.

There is no doubt that there are many reasons behind this. There is no doubt that events, developments, entanglements and associations have led to it.

There is no doubt that there are many security reasons which require that Syria be an original partner and an effective party in everything that is happening in Lebanon.

There is no doubt that there are matters, situations and dangers which require treating this question and anything connected with it with great sensitivity and the utmost delicacy, especially since we know that the two sides in this situation, Syria and Lebanon, face a greater danger.

However, in the end it is a situation which requires hesitation, calls for no isolation or withdrawal, but does require collective action. The proper course here is not exploitation, criticism and haggling, but action to bring Lebanon out of its crisis in a healthy state in terms of its land, sovereignty and independence.

Now we come to the integration of Egypt and Sudan. The first fact with which we must begin as we discuss regional groupings is one which we place in a question.

If we could define a series of Arab regional groupings, in the Gulf, for example, as the Cooperation Council, in the Fertile Crescent with Syria, Iraq

and Jordan, in the Arab Maghreb with Tunisia, Algeria and Morocco, then where would we place Egypt?

With its eastward extension into Sinai, it is Asian. Its history, its strife are Asian. In its battles, its defense, which begins from there, from the east in Palestine and the North, it is Asian.

At the same time, with its southern depth, it is part of the Nile Valley. In its contacts and its western extension it is central and west African.

However, in all of this it is like the heart; it is the center of the knot in its Arab world. Hence, the importance of Egyptian-Sudanese integration stands out, not as a regional grouping in the framework of its wider Arab world but as a model, a nucleus, the origin and beginning of unity. Egypt, with its abilities, its strengths and its role, cannot stop in this role and in this image at the borders of the Nile Valley alone, but from this valley it can begin to reach out.

At the end of the Fifties, the Egyptian role imposed the Egyptian initiative, Egyptian sacrifices, unity, imposed them when Egypt moved to protect Syria in 1957 when its northern borders were threatened.

The Egyptian role was imposed when Egypt alone bore the tripartite aggression and refused to entangle its sisters. Egypt assumed its role when it defended the right of the Arabs to Arab oil and set an example by nationalizing the Canal.

It assumed its role when it led the national independence movement in its Arab world and outside it.

Perhaps unity with Syria alone was a sympathetic expression. Perhaps unity in 1958 was deficient in preparation and study. Perhaps unity required fuller and deeper knowledge of the character and circumstances of the people involved.

Perhaps these shortcomings and others were the reasons that unity did not last.

However, perhaps by the same token it is certain that the conspiracy against the unified state was greater than the ability and endurance of the newborn state. The conspiracy was a far greater cause than the shortcomings.

In any case, this is a different time, with different circumstances.

The Nile links two peoples in the north and south; the valley embraces its sons, and action is required.

President Numayri addressed the Nile Valley parliament 2 days ago, saying that the stage of study and planning had ended and the stage of application and implementation had begun.

President Mubarak spoke of the picture of life in the valley as drawn on the new map in the charter of integration. He spoke of it as presented in the charter for building a future filled with hope, work, dreams and accomplishments, models and examples, confidence and ability.

In his speech, Mubarak set the spheres of interest before the Nile Valley parliament.

He described the outlines of action which are guiding it. He confirmed that the basic goal of the path of integration is to increase production.

Integration in itself is not a magic wand which can turn inspiration into actual production. Mubarak warned of the danger of having the integrated state rely on importing food from abroad, confirming the necessity of achieving self-sufficiency in food, because nations which do not control their food supply do not control their freedom, their independence and their will, stressing the fact that Egypt refuses to subject its will to others or expose its future to danger.

Mubarak said that the path of integration is a starting point for more comprehensive Arab unity, for a wider African movement. This integration is not an axis for polarization but a call to come together and unify ranks. Mubarak spoke of the importance of equality between the two peoples of the integrated state and the need for equality of rights and duties to deepen feelings of commitment and achieve homogeneity. He said that the way to homogeneity is continual dialogue. It is accepting the right of everyone to equal participation. It is accepting difference of opinion as long as they pass through legitimate channels.

Mubarak called for not restricting criticism, not making decisions alone, and not moving in the absence of the masses.

He confirmed that the action is interconnected and consecutive. Mubarak said that legislative stability is a necessity; keeping a distance from achieving change by clashes and leaps is a necessity. The law alone defines the rhythm of the movement and sets the rules of change.

Mubarak, as he defined and stressed these principles, wanted to say that words must be converted to action, and that principles must not remain just slogans but must lead to action.

Today, as we speak of these principles and refer to the president's speech, we add that the Nile Valley parliament must not become just an annual celebration convening in Khartoum once, in Cairo another time, where speeches are delivered and congratulations are exchanged and then everyone packs up and returns home.

If that happens, people will not believe in integration. They will give up hope of unity, and the masses' dreams of change will disperse.

The two states of the model integration should be a real core for true, deep-rooted unity.

At the right time, the heart returns to the nation to pursue its role, sustain the body and pump blood through its limbs from east to west.

As the role imposed itself in the Fifties, Egypt's role imposes unity today. Perhaps a kind of emotional unity can impose itself today, to build a firm nucleus and establish a basis for a true coming together to restore to the group of nations their solidarity and their unity. Egypt today is acting as it did yesterday, giving, offering and sacrificing.

Its position toward Iraq is clear, and it is offering what it can. With the Palestinian revolution, the situation has no parallel.

Egypt has stood and still stands with Jordan, with Algeria, with Morocco. Mubarak's Egypt is fully aware that our region is a region of international struggle, a region of clashes and competition between the superpowers. Mubarak's Egypt realizes that the existing well of tension will remain, and because of the major powers will move from place to place, but it will always stay in our region.

The struggle has not finished in this part of the world. It has not finished over the land whose petroleum has not yet run dry and is still needed. Instead, the struggle will last for decades.

The region is a market for arms and products. The region is full of internal conflicts which could flare up at any moment to turn into a hot conflict, to a blazing well to be exploited by the superpowers.

Egypt realizes that there is no possibility of stopping these dangers except by solidarity, except by rising above what is private and personal, except by going beyond disputes and subordinate conflicts.

Thus Mubarak expands his movement and extends his activity throughout the length and breadth of the Arab world, with no contract or sensitivity.

The Egyptian movement has started to bear fruit. Yesterday it was Amman, and tomorrow others will follow. Husayn is in Baghdad, and Saddam is announcing that changes may have occurred in the Arab world. Changes require a decision, and the decision must be consistent with these changes. Saddam declares that Amman's decision is not a violation of Arab unanimity.

It is clear that the Egyptian movement is aimed at wider and more complete action. Egyptian-Sudanese integration does not limit this movement and does not shackle the larger action.

Thus we can say, or rather we must say, that regional efforts can be beneficial and perhaps are a necessity or a nucleus, but they must not be a substitute and they must not be an end. Limited regional efforts and pursuits must

not spring from a fictitious situation. They must not conflict with or contradict a political fact.

They should not be a maneuver, a public action or an entanglement. It is unacceptable that they should be private deal or part of a larger deal surrounded by suspicions.

At that moment the step is lost, whatever it was and no matter who was involved, and confirming it becomes a burden on solidarity and unity. At that moment, its earnestness and its benefit are lost.

Regional steps must be part of a larger accomplishment. Regional Arab agreements must be part of a whole, the beginning of a whole, the vanguard of a definite advance in organized steps in a trend toward larger and more complete unity.

7587

CSO: 4504/88

ISLAMIC GROUPS REPORTEDLY HARASSED BY STATE INTELLIGENCE

Kuwait AL-MUJTAMA' in Arabic No 689, 30 Oct 84 pp 28, 29

[Article: "Egypt: The New Empire of State Security Investigations in Husni Mubarak's Era"]

[Text] The authorities of the State Security Investigations organ in Egypt are playing a major role in the suppression of the Islamic movement's freedom, as well as in the exhaustion of its power, the squandering of its potentials, and the banning of the publication of its papers. Recently, approval was given for the extension of the emergency law for another 19 months--as from the beginning of this month of October. Some people are inclined to believe that the role of the State Security Investigations organ in Egypt will lessen in view of some democratic aspects that have lately been observed on the Egyptian scene, such as relative freedom for the opposition and the elections. However, this agency still acts on the very same previous basis. There has been an increase in the cases of travel bans, refusal to permit the freedom of convening meetings on the various religious occasions, and the harassment of the Islamic magazines, such as AL-DA'WAH magazine.

Travel Bans

Let us together begin talking about the actions taken by this accursed agency against the Islamic movement and against its interests and youths. These actions include "travel bans," because the agency regards a mere "Moslem Brotherhood" inclination among the youths as a justification for a ban on travel! The reasons for banning the travel of Professor Muhammad al-Tayyib 'Abd-al-Hamid--after he filed a suit against the government--include: that he works as an employee in the Kafr al-Shaykh prosecutor's office, that he owns the Islamic Enlightenment Library in the city of Dasuq, that he joined the Islamic groups while studying in college and participated in all their college activities to the extent that he became one of these group's influential leaders, and that he played a role in the Islamic Camp that was set up in the Education College of Tanta University on 4 November 1979 for the purpose of "cooperation and the strengthening of ties among the Islamic groups, as well as the coordination of their movement during the students elections."

And that he opened a library in the city of Dasuq, naming it the Islamic Enlightenment Library--and this library became a center for the gatherings

of the members of the Islamic groups, and that he held meetings which urged the youths to resist the present regime on the grounds that the Islamic Shariah is not applied.

Then came the main reason for the ban, that is, information was received indicating that he intends to travel abroad to exercise his extremist activities away from security observation. This is because a followup confirmed that the movement of extremist groups depends on such elements in propagating their ideas and grouping their remnants abroad, and the passports department was instructed to put him on the travel ban list. The reasons for the ban on Professor Muhibb Habib 'Abd-al-'Alim say that he is a member of the Islamic groups with "Moslem Brotherhood" inclinations in his township of Mahallat Ziyad--Samannud District in al-Gharbiyah Governorate. The information confirmed--as stated in the reasons for the travel ban--that the above-named person wants to travel to the YAR, claiming that he wants to struggle for God's sake, to receive military training in a phase preparatory operating within Egypt in the future.

These have been examples of the reasons for the travel bans which the courts always do not need, but instead hand down verdicts to the benefit of the person banned from travel. Previously, and in banning the travel of Mrs Zaynab al-Ghazali, the virtuous struggler, the intelligence said that she "represents a devastating danger threatening the security and safety of Egyptian society at home and abroad"! Nevertheless, the virtuous appellant was granted a final verdict ordering her name struck off the travel ban lists.

Islamic Magazines in Tribulation

The harassment of the Islamic magazines begins with objections to some articles and ends with objections to the chief editors and refusal to license the printing of the magazine in the first place. Only two issues of AL-MUKHTAR AL-ISLAMI magazine have so far been published following the magazine's re-appearance on a judiciary order. The chief editor for issue number one was Safinaz Kazim, a staunch Islamic writer with clear vision and expressive style. However, she did not last for issue Number two. The reason is that State Security Investigations demanded that her name be taken off the chief editor's list as a condition for the publishing of issue number two. Although this matter does not fall within the jurisdiction of the investigations agency, Husayn 'Ashur, the concessionaire of AL-MUKHTAR AL-ISLAMI magazine, submitted to the agency's orders in preferring the method of leniency, although many members of the Islamic groups denounced this submission. Issue number two of the AL-MUKHTAR magazine appeared 1 week late; it was held until the name of Safinaz Kazim was struck off the chief editor's list--and the Islamic magazine is being issued without a chief editor in one of the most spectacular journalistic events in Egypt these days.

However, and when it comes to AL-I'TISAM magazine, which is published by Hasan 'Ashur, three issues of this magazine have been published following its re-appearance last Ramadan. State Security Investigations was able to penetrate the magazine through the material door. Intelligence threatened the magazine's chief editor, Hasan 'Ashur, with a travel ban, especially since this matter

would have a considerable effect from the material perspective to the detriment of the AL-I'TISAM House. The reason is that the AL-I'TISAM House has other affiliated houses in some Arab states. Haj Hasan 'Ashur was indeed made to descend the gangway of the plane that was to fly him to Iraq to attend the reconciliation conference which was to convene there as a kind of direct punishment for having resumed publication of the AL-I'TISAM magazine. State Security Investigations requires the owner of AL-I'TISAM to inform them first hand of the magazine's editorial material prior to publication. In this way, the intelligence people can object, amend, or make changes. Intelligence insisted that a page of the latest issue of AL-I'TISAM magazine (34 pages) be detached for the derisive criticism it contains on the nomination of Drs Kamil Laylah, Sufi Abu Talib, and Subhi 'Abd-al-Hakim for this year's state achievement awards in their capacity as having performed commendable services for the Egyptian regime! The magazine was issued with one page detached, which raised many questions by the Islamic movement's youths and AL-I'TISAM's readers about the contents of this page. It became certain to them that the censor had torn the page off because of the facts that it contained--facts that the government fears will come to the people's knowledge!

Hasan 'Ashur's compulsion to submit to intelligence has led to the appearance of a general feeling of indignation among the youth. If the youth suspect that State Security Investigations interferes with the material published in magazines of this kind, they will all refrain from purchasing these magazines or having confidence in them.

However, and concerning AL-DA'WAH magazine, it seems that its journey is longer than that of its lesser friends. This is because the Higher Press Council is scheduled to convene on Saturday, 3 November, to approve the specimen contract for the founding of newspaper companies. Afterward, the magazine's management will withdraw the specimen contract and resubmit it to the council for approval--and this matter will perhaps take 4 months!

Even the Hejira Calendar

Another fact...AL-DA'WAH House in Alexandria printed a Hejira calendar bearing the house's emblem--the very same emblem of the Moslem Brotherhood.

However, State Security Investigations refused to remain indifferent. How could they, while this intelligence is the protector of security in cherished Egypt! Intelligence notified Mahmud Shukri, the AL-DA'WAH House Alexandria director, of their absolute refusal to allow the printing of this calendar. This refusal was voiced despite the fact that it is not legally the right of intelligence. But in doing this, intelligence relies on the powers that were vested in it by the emergency law. As a compromise, Mahmud Shukri suggested that the Moslem Brotherhood's emblem be covered with another emblem--an open Koran in the center of the spherical sun (as shown in the picture)! And when this was done, the intelligence men congratulated themselves on this enormous victory achieved in the great calendar case!

In a daring attempt to bury a monthly Islamic magazine alive, State Security Investigations refused to license LIWA' AL-ISLAM magazine to be printed by printing houses in preparation for revoking its publication license if 6 months elapse without the magazine having been published. Tiresome attempts were made that reached the highest levels of officialdom at the Ministry of the Interior--and all these attempts failed. To save the situation, the magazine's management printed some token issues of the magazine to prevent its license from being forfeited and deposited these issues with the Higher Press Council. The reason was that a young man took charge of the magazine, who, at the same time, worked for the Cairo-based AL-DA'WAH magazine! In other words, it would become a "Brotherhood" magazine, as the senior intelligence men have personally put it!

No...to Religious Ceremonies

Finally, we mention this actuality: Haj Husni al-Mulayhi, the Moslem Brotherhood's member in the People's Assembly for the Al-Wafd Party, decided to observe the Hejira anniversary. He opened his own electoral center in the city of al-Hawamidiyah in al-Jizah Governorate. Al-Mulayhi invited 'Umar al-Talmasani to attend the ceremony. Following tiring negotiations and meetings, all attempts to hold the Islamic ceremony failed. Haj Husni was compelled to meet with the interior minister personally so that the minister would approve of the holding of this ceremony on [Interior's] conditions. Finally, and halfheartedly, the minister agreed that the Hejira ceremony be held in a small closed hall in al-Hawamidiyah's popular square on condition that neither banners made of cloth would be displayed nor loudspeakers would be used outside the hall, and that there would not even be adequate lighting within the hall! When 'Umar al-Talmasani attended the ceremony, the State Security Investigations director in the district sat close to al-Talmasani and part company with him only when al-Talmasani left al-Hawamidiyah for Cairo!

These and other incidents are but a few of many occurring in the situation in which the Islamic movement now lives in Egypt in its struggle with State Security Investigations agency, led by Maj Gen Fu'ad 'Allam, the antagonist of Islam and the Moslems. The intelligency agency in Egypt now tampers with, and spreads corruption in the land. If fights God and His Prophet...and we caution and warn "and do not think that God is oblivious of the doings of the oppressors".

12839

CSO: 4504/86

FINANCING OF SUBSIDIES FROM INCOME TAX VIEWED AS SOLUTION

Riyadh AL-YAMAMAH in Arabic No 823, 10 Oct 84 pp 35-37

[Text] The sit-in's, strikes, and chaotic incidents that occurred in the city of Kafr al-Dawwar last Sunday to protest the raising of the prices of some commodities were a pointer whose significance remained no secret to the executive authority, which quickly reconsidered its position. This is because hardly had 24 hours passed than President Husni Mubarak ordered that the former prices of spaghetti and pastries be restored and that the increase in the price of the loaf of bread be limited to between 2 and 1 piasters, so that this increase can remain confined to the nearest possible margin.

It is true that calm returned to the city following the intervention of the police and central security forces. However, it is also true that holding some leftist elements responsible for the incidents--as the Interior Ministry statement did--is an erroneous interpretation that distances us from the truth, in addition to the fact that it does not mirror what had really happened.

What happened is that some workers of the Egyptian Textiles Company in Kafr al-Dawwar had begun a sit-in in the company building since last Saturday morning and refused to leave at the end of their shifts. They were joined by their other colleagues in protest against the decisions to raise prices and the decrease that occurred in their salaries following the application of the recent social insurance law. The Silk Company workers showed solidarity with their colleagues, the Textiles Company workers, by refusing to receive salaries.

Observers and news agencies said that some 3,000 citizens began marching on Saturday morning in a procession from the villages and farms around Kafr al-Dawwar, and the villages in which the workers' families live. They were checked by the central security forces, which had earlier besieged the mill at which the sit-in was staged and occupied the city. Clashes then began between the two sides. The security forces used tear gas bombs and automatic rifles, while the demonstrators confronted these forces by pelting them with stones. The result was that two vehicles of the central security forces caught fire, the window panes of eight buses were smashed, and some damage was caused to the building of the city hall and the building of the company, where work had continued despite the sit-in.

Maj Gen Ahmad Rushdi, the interior minister, has said that the demonstrators then proceeded to the Cairo-Alexandria agricultural highway. They took the opportunity of the presence of a truck loaded with timber which was overturned outside al-Yamanah village in the vicinity of Kafr al-Dawwar, and the demonstrators tried to halt traffic on this highway. Then instructions were given that traffic be diverted to the desert route.

The interior minister added that, when the demonstrators discovered that their attempt had failed, they moved to the railroad, set fire to a number of wooden shacks, and stopped four trains. It was immediately requested that oncoming Cairo or Alexandria trains not enter Kafr al-Dawwar and backtrack until their route was secured.

Consequently, some demonstrators went up al-Ibrahimiya bridge, which passes through Kafr al-Dawwar, and they began hurling bricks at people. They began shouting that the price of the load of bread had risen to 2 piasters, that cooking butter and cigarette prices had risen, and that the price of a sack of flour had also risen. We engaged in a dialogue with these demonstrators to tell them about the facts, until the demonstrations ended at exactly 1700.

The prosecution will prefer against the accused workers the charge of having participated in a criminal agreement designed to perpetrate the crimes of hindering communications and trains and damaging their coaches, cutting telephone lines, endangering transport facilities, committing arson, resisting authorities and public employees, forming gatherings, preventing fire engine crews from doing their work, attacking the building of the consumer society and the disbursement office of the Misr Textiles Company, and causing damages to some company buildings.

Immediately after the incidents, the government declared curfew in the city from 1400 until morning. However, the authorities then permitted the citizens to walk in the streets, although loitering and assembling had been banned.

Three citizens were killed during the clashes with the central security forces. They were: Ghattas Tadrus, a 33-year old owner of a textile factory, and Muhammad 'Abd al-Hamid al-Sujayni and Hamid Anis, both taxi cab drivers in their thirties. Furthermore, 36 persons were injured, including policemen. Also, 220 people were apprehended during and after the clashes.

However, the interior minister says that only 1 person was killed, while casualties totaled 28, including 8 policemen. However, those arrested number 89 defendants, who have all been sent to the prosecution on charges of anarchy and riotous assembly, and the prosecution has ordered thus far the imprisonment of 46 defendants.

The demonstrators and the sit-in workers had demanded that the present cabinet headed by Kamal Hasan 'Ali, as well as Ministers Amal 'Uthman, the minister of social affairs, and Sa'd Muhammad Ahmad, the minister of manpower be asked to submit their resignations. They also demanded that confidence be withdrawn from the trade union committee, that the decision on price increases

be canceled, and that the new social insurance law be revoked. The workers sent a telegram containing their demands to the president of the republic. The telegram was signed by 17 trade union leaders, including two from the Grouping Party and 15 members of the ruling National Democratic Party.

These are the chaotic incidents that occurred in the industrial city of Kafr al-Dawwar last week, and that resulted directly from the increase in the prices of some commodities, the most important of which was, naturally, the doubling of the price of bread.

The meaning of these incidents which have occurred, and of which the whole world has heard, while the Egyptian national papers have neglected them, is that the "yeast" of wrath exists among the workers, who form the largest segment of the social forces in Egypt. Furthermore, the "raising of prices," particularly those of the commodities that affect the broad base, can ignite the situation, as happened on 18 and 19 January 1977, when Egypt--from one extremity to the other--rose in an overwhelming popular uprising to protest against the price hikes that had affected some kinds of foodstuffs and fuel under Mamduh Salim's cabinet.

We do not want the 1977 events of Egypt to be repeated. We also do not want the events of Kafr al-Dawwar to occur in other places. The reason is that Egypt will not emerge from its economic crisis through the destruction of its establishments. However, Egypt will emerge from this crisis through work and production. But the meaning of what has happened and of what is happening should not escape us. In other words, the prices issue in Egypt is not an economic issue, but it is a social and political issue in the first place. It is the issue of all the Egyptians, not just of the government or the ruling party alone.

This is why President Husni Mubarak sent for the leaders of the Egyptian opposition parties, met with them separately and sought their opinions and counsel on the question of subsidies. He gave them a period of 2 months to prepare the studies required for solving this issue correctly.

The problem of subsidies in Egypt is the second face of the price hike issue. Both of them mirror the deficit in the Egyptian budget. These are interconnected variations that all reflect one fact, that is, the economic crisis in which Egypt lives.

There is no Egyptian who does not now talk about the subject of subsidies, and about whether subsidies will remain unchanged, will remain partially, or will be completely waived.

Talk about this subject is renewed in September every year, when the government presents the annual budget to the People's Assembly--a budget in which the usual deficit shows. Then, the budget is quickly approved and, with it, the talk about the subject of subsidies ends.

But this year, the subject of subsidies has taken an intensive form in a manner which confirms that the state has decided to face the matter firmly.

The problem of subsidies in Egypt is an old one; it is a quarter century old. Subsidies began in Egypt in 1960, when they were estimated at only 9 million pounds.

Within 10 years, subsidies rose from 9 million yearly to 800 million in 1973. During the next decade, this sum multiplied threefold in such a way that, in this year's 1984-85 budget, it has amounted to well over 2 billion pounds, including nearly 12 commodities, beginning with wheat, flour, meat, sugar, poultry and fish and ending with sesame, oil, soap and coffee beans.

In addition to these direct subsidies, there are other indirect subsidies amounting to 2 billion yearly that are forfeited by the Egyptian economy because of the domestic sale of petroleum and its derivatives at prices not exceeding 15 percent of their world prices.

Then, there are the invisible subsidies that the state extends to the industrial companies that lose because they sell their products at less than the cost price. The most eloquent proof of this matter is that the cigarette company alone lost 200 million pounds yearly, because it sold Egyptian cigarettes at prices incompatible with world tobacco prices.

Economists say that, in this sense, the state pays direct and indirect and visible and invisible subsidies totalling 5 billion pounds yearly, which is a huge burden which the exhausted Egyptian budget, which suffers from a continuous deficit, cannot bear.

The obvious, simple solution is that the cancellation of the subsidies, or their rationalization, merely redresses the balance and covers the deficit in the state general budget, which this year totalled 2.5 billion pounds.

Continuation of this situation as it is signifies that subsidies will increase, year after year, as the result of the increase in consumption on the one hand, and the addition of 1.25 million citizens to the number of the Egyptian population every year on the other.

Increasing subsidies in this manner definitely signifies increasing the deficit in the Egyptian budget yearly, which makes it always an unbalanced budget.

After all these things, the issue is that the question of subsidies has become the question of the hour in Egypt preoccupying all Egypt's inhabitants, from the president of the republic to the last worker or peasant.

The opposition papers say that the government has decided to raise the subsidies and to increase prices in a gradual and phased manner, and that the call on the opposition parties to contribute their opinion about this matter is nothing more than a cover for a "political solution" concerning the cancellation of the subsidies and that this decision has actually been made.

There are other opposition papers that have absolutely rejected the principle of raising the price of any commodity and refused to have the subsidies brought to task on the grounds that they are the cause of the budgetary deficit.

In facing these opinions, the national papers--AL-AKHBAR, AL-AHRAM, AL-JUMHURIYAH and MAYU--speak of a misuse of the subsidies, of the subsidies reaching recipients other than their beneficiaries, of the poor quality of the subsidized commodities, which imposes the need for producing better commodities that are called improved commodities or tourist commodities at higher prices.

The economists writing in these papers add that the subsidies have made all things cheap, thus enticing people to increase consumption, and have lured the rich into acquiring--one way or another--the subsidized commodities.

This means that, ultimately, the disadvantages of the subsidies are greater than their advantages. This is because the loaf of bread, which is subsidized by the state and which sells at 1 piaster, is inedible because of its poor quality. There is also a class of middlemen, brokers and wealthy people that draws benefits from the subsidies greater than those drawn by the popular, toiling classes.

Consequently, subsidies paid for services such as electricity and water, and the subsidizing of luxury commodities, such as cars, air conditioners and others, are, in fact, subsidies paid by the poor to the rich. Furthermore, the invisible subsidies that the state pays to cover the losses of some industrial companies has embroiled these companies in huge defects. After all these things, subsidies have ultimately created illusory, artificial prices for many commodities and services in such a way that every commodity now has more than one price and more than one value.

Therefore, all have expressed their views on Egypt's present problem number one. Some proposed the total cancelation of subsidies, others suggested that subsidies should not be harmed in any way, while the last group said that there are four basic commodities, that is, bread, rice, sugar and oil, that alone should be subsidized, while anything else must be removed from the framework of the subsidies.

Another group said that the problem resides in how to make the subsidies reach those who indeed deserve them. This group suggested canceling the subsidies in return for raising salaries. Others suggested introducing the ration cards system and confining these cards to a specific class. Another group said that government employees and public sector employees alone should benefit from the subsidies.

However, the original thinkers pursue a totally different course. Dr Hilmi Murad, the famous opposition leader, says that the state incurs losses arising from tax evasion greater than its expenses on the subsidies and that, had the state received the taxes of the tax evading millionaires, the problem of subsidies would have been fully resolved.

However, Dr 'Abd-al-'Aziz Hijazi, the economic expert and former prime minister, says that we do not have at our disposal accurate scientific studies that specify for us those who live under the sufficiency level and deserve subsidies. We want a study that would designate these people specifically, not generally. This is a humanitarian right which we must give to the Egyptian citizens who are unable to eat, dress or study.

But how? Well, this is a simple problem of organization.

The important thing is that, with the exception of the writers in the official national newspapers, all the viewpoints that have been expressed--from those of the man in the street to those of the leading specialists and economists in Egypt--almost achieve a consensus on the need for retaining the subsidies, and without any danger at all, as Dr Isma'il Sabri 'Abdallah, the prominent economist, says in discussing the principle of the existence of the subsidies or their abolition. This is because all the states of the world practice forms of subsidy payments. Even the United States, the citadel of capitalism, subsidizes most of the agricultural crops.

Therefore, the principle of subsidies is not a creation. The important thing is to group all the forms of subsidy payments and to analyze them for the purpose of specifying those who deserve the subsidies, as well as with what to subsidize these recipients and to what extent.

The subsidies must go to those who deserve them. However, if we pay subsidies to the rich, then nobody approves of this action. There are in Egypt numerous forms of subsidies being paid to the rich: exemption from taxes and customs is regarded as a subsidy payment. Also, the easy term loans that are given to some projects are considered a subsidy--and this unveils the ill intention behind focusing attention on the subsidizing of food, as if food is the calamity endangering the Egyptian economy.

To put it all in a nutshell, one would say that subsidies must stay. But, where will the financing come from? The financing of the subsidies must come from the yield of the taxes. In other words, the subsidies must not be financed with deficits, because budgetary deficits mean inflation. Inflation signifies price hikes, and price hikes signify increasing the subsidies--and this is what happened in the previous years.

This week an important member of the People's Assembly stood up and said that there are 250,000 millionaires in Egypt and more than 100 billionaires. These people do not pay taxes but they are the ones who must pay the dues of the homeland on whose land they have amassed their wealth, provided that these payments will be to the benefit of the popular and toiling classes that live below the poverty line. Through the law, you must take from the solvent to the insolvent, not only for the sake of social peace, but for the sake of Egypt itself.

The problem of prices, which is connected with the issue of subsidy payments, is no longer an economic crisis, but it is primarily a social and political issue. It is a problem connected with social stability and with Egypt's

security and internal peace. Therefore, the government must align itself with the poor and the toilers from among the state employees and the workers in factories and in the fields so that the spark will not ignite from Kafr al-Dawwar or from elsewhere and threaten a fire!

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CSO: 4504/86

INDICTED BANK OFFICIAL DEFENDS ROLE IN CURRENCY DEALINGS

London AL-SHARQ AL-AWSAT in Arabic 10 Nov 84 p 8

[Interview with Former Bank Official 'Ali al-Jammal: "Some Employees Exploited My Trust and Conspired with Sami 'Ali Hasan"]

[Text] The beginning was in 1948. In the next 36 years, he became a well known man of finance. However, the era did not last. In mid-1984, he appeared before the Egyptian socialist prosecutor, charged with engaging in activities damaging to the national economy.

The protagonist of the episode is the banking financier and millionaire 'Ali 'Abdallah al-Jammal, owner of the Jammal Trust Bank, with its numerous branches in Lebanon and Cairo, and its companies, investments and capital, which are estimated in the millions.

AL-SHARQ AL-AWSAT met Mr 'Ali al-Jammal and held a conversation with him covering the development of the episode of the millions, and how he became indicted by the Egyptian judiciary in the recent bank case.

'Ali 'Abdallah al-Jammal said, "The episode began in 1948, when I emigrated, as did all the people of southern Lebanon, emigrated to Nigeria, where my father worked in the contracting and produce trade. I started to work with him, but my ambitions were greater. I borrowed the sum of 2,000 pounds sterling from my father and began to establish a transportation company. After a few years, I had the biggest transportation company in Nigeria, my thinking, after that, turned toward industry and investment, and I established a factory to manufacture doors, windows and ironwork, then established a contracting company."

Al-Jammal added, "My profits began to increase and the iron factory grew to become the greatest in Africa. The prime minister of Nigeria at that time, Hajj Ahmad Bello, inaugurated it, the company came to have capital of 1 million pounds sterling, and 10,000 employees worked in it. Then a coup occurred in Nigeria in 1966, in the wake of the factional wars, and I found that it would be better to expand my activities in contracting work in west central Nigeria. We established two companies with the government, an ironworks and a contracting firm, in which my share came to 51 percent, the rest belonging to the Nigerian government.

These Are My Possessions

"In 1968 I started thinking of going back to my country, as all emigrants were. At that time I was working on the board of directors of the Pakistani Bank, and I found banking activity stimulating and suited to my ambitions; at the end of 1971 I purchased a financial institution from the Bulgarian government whose capital was 3 million Lebanese pounds, which I increased to 10 million Lebanese pounds.

"The name of the organization was changed to Jammal Trust Bank and I started to consolidate my activities in Lebanon and Europe. Jammal Trust came to have 14 branches in Lebanon, and four in Cairo, in addition to a financial institution in London and two real estate companies. The bank in England came to have paid-up capital of about \$60 million."

[Question] But how did your work in Egypt begin?

[Answer] In 1974, we had an Egyptian director general in the bank in Beirut. Egypt was looking for foreign financing activities; that year, 1974, the Egyptian National Bank asked us to open financing for foreign commercial activities, and we gave it facilities of about \$10 million in the form of a 2-year loan. However, the National Bank was somewhat late in paying, and I went to Cairo to review the situation. I met with the director general of the bank. At that time conversation was going on in Egypt about the economic liberalization and the investment laws. I liked Cairo and Egypt and wanted to contribute to development investments in the country, especially since it would bring benefit to the two parties. In addition, the Lebanese war was one of the reasons which prompted me to go to Egypt.

A meeting was held with the (Egoth) Organization and Arab contractors through the medium of the Egyptian National Bank, and we agreed on establishing two companies with a capital of \$15 million.

[Question] How did things go after that?

[Answer] In 1976, we faced some administrative obstacles. I was about to withdraw, but I asked to meet with officials, and a meeting was set for me with Mr Mamduh Salim, the prime minister of Egypt at that time. I described to him the circumstances of the work and he promised me that he would reduce the obstacles for me if I was right in my complaint. This meeting with this man, specifically, was strong proof of Egypt's serious desire for investment and to open doors to investors. The administrative obstacles actually were reduced by the required papers and documents for obtaining agreement, evaluating shares in kind and so forth, and the fact is that I did not come to Egypt because of preference; my work in Lebanon and Europe still existed.

[Question] Did you live in Cairo?

[Answer] I did not in reality live in Cairo, but I came to spend a week or 10 days each month, and my trips and movements were continuous.

[Question] What investments did you make in Egypt?

[Answer] In Egypt we established four companies. First was the al-Ahram Gardens Hotel Company, with capital of no less than \$150 million, consisting of two parts, to establish a tourist village. The first stage has neared completion at investment costs of \$56 million. The second company was Cairo Investment; we provided \$100 million for that as capital, but the contractor (an American company) appropriated the land and we received a ruling that the land in Qasr al-Nil would be handed over in April 1984; work on the project will continue. The third was the (Liddy Drymers) company for development of the north coast; however, the project was suspended in the wake of the Pyramid Heights project's problems in 1977. We did what we could to manage the work, and presented applications stating the company's preparedness to finance the infrastructure and give it to the government in the form of a debt which would be paid back over 15 years; however, a decision has not been reached on the situation so far.

The fourth company was the Investment Development Company, a financial firm which has started the first of its projects to construct administrative housing.

In 1978, we obtained agreement to establish a branch for the al-Jammal Trust Bank, with capital of \$2.5 million, to participate in project construction and support. We presented a letter with an undertaking of responsibility from the main al-Jammal Trust Bank for its branches in Egypt, with its guarantee of all burdens and requirements.

[Question] Now, in the light of the Egyptian socialist public prosecutor's charges, which include the name of 'Ali 'Abdallah al-Jammal along with 17 other bankers and dealers in currency, the most prominent of whom is Sami 'Ali Hasan, to whom you had given credit facilities without collateral worth more than 23 million pounds, in accordance with deferred payment checks, what is the extent of your relationship to Sami 'Ali Hasan?

[Answer] There is no relationship between me and Sami 'Ali Hasan. I never saw him in my life, except on 7 January 1984 and on the books, through the bank's records. Sami 'Ali Hasan opened his personal account on 10 February 1983 in dollars, pounds sterling and German marks, and opened an account for the Lord Company, which he owns, on 22 May 1983. His accounts with us are in milliemmes also. Sami 'Ali Hasan obtained two letters of guarantee from the bank, the first worth \$650,000 and the second \$500,000, covered in full. That is, there was no letter which was not covered.

[Question] What is the story then?

[Answer] The story is that there was collusion between Sami 'Ali Hasan and Mahmud 'Id, the manager of the bank. That occurred as a result of the absence of Muhammad Abu-al-Fath, assistant director general and manager of the Garden City branch, who had a problem with the Nile Bank, where he was working before he was employed by al-Jammal Trust. In that period Mahmud 'Id opened an account for Sami 'Ali Hasan.

Mahmud 'Id gave Sami 'Ali Hasan three letters of guarantee on the basis of checks which were postdated to 31 December 1983. With these checks, the

client obtained 20.8 million pounds from the Arab African Bank of Egypt, the Bank of Cairo and the Faysal Islamic Bank.

I filed a suit against the employees in the al-Jammal Trust Bank and the people conspiring with Sami 'Ali Hasan, as well as the employees in the three banks which accepted the checks. In banking usage, there are instructions from the Central Bank prohibiting banks from accepting postdated checks for guarantee fees or discounts; these instructions permit such checks to be accepted only for collection fees and on the responsibility of the people presenting them. In addition, the checks, by law, cannot be postdated. So far, the case is still being reviewed, now that a ruling has been issued by the court of first instance that the checks were postdated. We filed the case with the court of appeals and paid these sums to the banks, since we had a commitment with the Egyptian Central Bank, in accordance with a letter of credit issued by the main center of al-Jammal Trust guaranteeing the branch and its activities. In accordance with this letter, we paid the money, but we are waiting for the latest ruling by the judiciary.

Charges and Responses

[Question] What is the truth about the charges which Mahmud 'Id, the manager of the credit and central accounts department in the bank, directed against you, that you exercised pressures on him to accept the checks from Sami 'Ali Hasan?

[Answer] If that was the situation, why didn't Mahmud 'Id list them in the ledgers, because he knew that he would be held accountable for them? There is no authority in the world which calls someone who has not committed a mistake to stand on ceremony or be afraid.

[Question] However, Sami 'Ali Hasan stresses that he kept the al-Jammal Trust Bank liquid a number of times.

[Answer] We earned only \$40,000 in interest from that man's account in 8 months; where was our liquidity maintained? The fact is that he drained off this liquidity. For example, Sami 'Ali Hasan would give checks worth \$1 million from a bank, and Mahmud 'Id would open an account for him with them. Before collection was made on the checks, Sami 'Ali Hasan would spend this money. How was the bank's liquidity maintained?

[Question] There are other charges directed against the al-Jammal Trust Bank, that it exported 62 million Saudi riyals in the course of just a month and a half, by setting down data which was not correct in the customs declarations it presented to the Egyptian Central Bank, to obtain the agreement of the latter to the export, thereby violating the rules bearing on the export of the surplus. What is your view about this charge?

[Answer] The chairman of the board has no relationship to the export of currency. There is just a lending committee. If it asks for something over which the employees in the bank do not have jurisdiction, they put it in a memorandum and the board agrees to it or rejects it. In spite of that, it issued a decree in 1982 stopping the export of the money, out of fear that

it would commit a mistake. In addition, I have no accounts in Egyptian pounds. My accounts have all been in foreign currency. That means that I would not benefit from the trade in currency.

[Question] What is your position now on the case?

[Answer] I believe that my position is still strong. I have trust in the Egyptian judiciary, and that was confirmed to me when a decree was issued recently abrogating my detention personally in the matter of the verdict of the court of Giza, class one, and the verdict of the state security court of Cairo, class two.

[Question] Have Lebanese Figures mediated with the Egyptian authorities to help you?

[Answer] In such instances, mediation does not seek to change justice or change positions; rather, it seeks to preserve people's rights, especially the right of defense, and there is no doubt that my people and my friends support me and sympathize with me.

[Question] Do you intend to resume engaging in your activity in Egypt if a final ruling is issued in this case which does not find you guilty?

[Answer] I am always traveling, but I have a house in Cairo which I will continue to visit, unless Egypt objects to my presence, and I do not expect it to.

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CSO: 4504/104

CEREAL GRAIN PRODUCTION BESET BY PROBLEMS

Casablanca LA VIE ECONOMIQUE in French 14 Dec 84 pp 9-11

[Article by Sarah Benoussa]

[Text] "I eat, you eat; he eats, you eat; we eat, you eat..."

Can you guess what we're talking about? No, that's not it. It's not the old customs-man joke!

It is nothing more than the verb "to eat" conjugated in language that is not your standard "Academie Francaise-French," and its subject noun is cereal grains.

Every year, whether the first rains come right on schedule or hang back, Morocco's 22 million people wonder what the last grain harvest was and what the new one will be -- and that is only natural, given the fact that a whole lot of "things" depend on it...

According to one reference model, the total demand for cereal grains in the early eighties would be on the order of 60 million quintals, made up of:

- barley: 20.7 million qx;
- soft wheat: 20 million qx;
- hard wheat: 13.8 million qx;
- maize: 4.33 million qx;
- other grains (rice, sorghum, etc,...): 1.4 million qx.

Well, we are not producing that much, and, what is worse, in relation to the number of people, production has been steadily declining. Amounting to something like 400 kilos per capita in 1950/55, production at the end of the 1970-1980 decade came to only 230-220 kilos per capita. The threshold of 300 kilos per capita, which is internationally accepted as the minimum level for cereal-grain self-sufficiency, was crossed, on the way down, in the early sixties.

Why? How? With what consequences? And for how long?

It is high time we raised these questions, and in no uncertain terms.

Mechanization: Top Priority for Agricultural Development.

Unlike many other countries, we cannot blame Morocco's lack of natural resources for current limitations we run into as we seek to increase cereal grain production. Why not? because even though handicapped by climatic constraints, the potential for grain production is far greater than what we are producing these days. In fact, according to the Agriculture Ministry, the lowest potential is 72.2 million qx, the medium potential is 84.2 qx, and the high potential is 96.2 million qx.

There are, however, some major constraints and shortcomings that explain why the cereal-grain-growers have not been able to boost their productivity or even to make a fair start at doing so.

The first constraint is climatic, but controllable if we make intensive use of mechanical equipment and plant early enough. However, the majority of small farmers cannot overcome this constraint, owing to lack of adequate machinery and often owing to tardy deliveries of seed and fertilizer. These snarls are a disincentive to the farmer, who covers his risks by shifting most of his operations into stock-raising, a move that restricts grain production and increases the acreage left fallow.

The second constraint is the farm structure itself: many farms are very small. In addition, there is the way small parcels of land are widely scattered, and the precarious future of many farms established as collectives.

These two major constraints are intensified by shortages and inadequacies.

These are primarily technical, since, despite all we know about growing cereal grains, we find weaknesses in soil cultivation, in planting habits, and in crop rotation. For example, ever since the cover-crop became -- alas! -- common practice, the land is increasingly likely to be poorly plowed!

Alongside these technical shortcomings, we find inadequacy among the upstream circuits. Deliveries of seed-grain and fertilizer on which grain-growing depends is handled by the Agriculture Ministry and distribution is the responsibility of government agencies (FERTIMA-SONACOS). The distribution system has been improved, but it is still handicapped by a paucity of depots and sale-points. As a result, the peasants, who, in most regions of the country, now have a good grasp of the usefulness of selected seed-grains and fertilizers, encounter difficulties in buying what they need near home and when it is needed. On top of all this lie the inadequacies of the marketing systems. The government provides supports for cereal-grain prices, but lacks storage facilities close enough to the farms for the farmers to deliver their crops, especially the small farmers, fellahs, who, because they are forced to sell

before the Moroccan Agricultural Co-op Company (SCAM can intervene, fall victim to speculators offering cash prizes that vary inversely as the size of the crop. Furthermore, prices thus far paid to growers were posted too late to enable farmers to take them into account and tailor their planting plans accordingly at the start of the season.

To these assorted woes is added the shortfall in farm credit, which, despite major efforts, still lags sadly behind the need. As in other countries, prior financing for the growing year is a necessity for most farmers, whose savings are marginal at best. Except that, when they turn to the National Agricultural Credit Fund (CNCA), the farmers run up against a credit policy that places excessive emphasis on the bankers' standards for credit-worthiness!

The final facet of the inadequacies in the cereal-grain sector is the inadequacy of extension and technical services. And despite the fact that the Works Centers now seem to be devoting more attention to this function, it is by no means evident that their staff can, at the same time, provide sound guidance to farmers and still perform as management counsellors.

This whole accumulation of problems explains why farmers, no matter how large or small their operations, lack motivation to enhance their productivity.

Grave Impact on the Entire Economy

We know the hows and whys of the slump in grain production. Its consequences are easy to imagine. Let production drop by 10, 20, or 40 percent (as it did in 1981), and the GNP shrinks as the budget deficit climbs and the balance of trade deficit swells as we import more and spend more on what we import. The forecast for this year was 2,472,700 tons, as against 1,829,955 tons in 1983, 1,899,475 tons in 1982, and 2,981,000 tons in 1981. These are only the recorded figures for the measurable consequences that can be classed as economic. To them must be added the slump in trade that puts a brake on business and eventually strangles all sectors -- and suffocates all our economic structures. And when you say trade and extend that to include cereal grains, you are talking fallout at the social level. It's a matter of survival. We don't need Madame Soleil's crystal ball to perceive and imagine the the scope of the suffering it entails...especially when you know that at this rate of production Morocco, whose cereal grain requirements will be something like 90 to 100 million qx by the year 2000, will have to import 60 million qx! Unless you are a subscriber to catastrophist theory, you can only ask: "How long, O Lord, how long?"

True it is that, according to Moroccan beliefs, every man and woman is born with his or her own "bane" and "blessing." It is equally true that, while our lands can yield 100 million qx of cereal grain,

(the "high potential"), they can do that only if the farmer truly "works" them. Clearly, what we are looking at here is a vicious circle: if a farmer is going to till and "work" his land and increase his yields, he is going to need rainfall, credit, a clear-cut plan, and machinery.

The Requisite Mechanization

"Mechanization or motorization mean getting the job of soil preparation done in good time," says Bouchaib Najioulla, CEO of the Auto-Hall Company and president of the Farm Equipment Importers and Dealers Association (AMIMA). Mechanization is necessary for lands that are as a rule very hard because of the irregularity and vagaries of rainfall, especially with the current lack of manpower to do the job manually, since such labor is looked down upon as "degrading"!

The government, aware of the value of mechanizing farm operations, gave the process a shot in the arm by promulgating a policy of credit and subsidies. Despite that, though, mechanization is still merely marking time, while the need remains enormous. The steady rise in the price of farm equipment and the lack of money to pay for it (despite the efforts of the CNCA) are unquestionably the main obstacles in the way of a fresh start at mechanization. "Each small farmer must be able to buy from us and sell to us. But if the small farmer is to be able to buy machinery, his farm must be a paying proposition; in other words, the price he gets for his crops must be higher than its retail sale value. And that is not always the case," as Mr Najioullah explained to us. The fact is that prices paid to growers do not always reflect production cost increases. According to some farmers, the right solution would be to increase subsidies for production factors (machinery) rather than subsidizing prices to the consumer. That approach would have the advantage of affecting all producers, and hence provide them with an incentive to make more use of the products necessary to good yields.

"Along with the problem of prices paid to the growers, you have the fairly steep price-tags on farm machinery," adds the AMIMA president. "These prices have risen rapidly by as much as 10 to 15 percent over the past 6 years. The increases are the sharper because importers tend to increase prices on their inventory stocks every time a new import shipment arrives at a higher price."

Government Incentives

"The government, however, provides incentives for mechanization by three kinds of measures: exemption from import duties on certain types of farm machinery, easy access to farm credit, and subsidies," Najioullah goes on. "For instance, since 1982, CNCA has been granting loans that run up to 70 percent of retail price when a farmer buys his first piece of farm machinery, and 60 percent of the purchase price when he replaces equipment. These loans

run for 5 to 7 years at 8 to 10-percent interest according to the rating of the purchasers. In addition, the government grants subsidies to farmers who join farm-machinery buying/shared use groups or cooperatives. These subsidies run at about 20- to 35 percent of the value of the equipment. The government has also waived duties and taxes on these products.

"Farm equipment dealers in farm machinery also help with financing by waiving down-payments. This kind of credit, which farmers eagerly seek out because of its flexibility, is nevertheless limited by the dealers' cash positions," said Auto-Hall's CEO. His company cannot turn to the private banks, he said, because they are simply not in that market!

Cover-Crops Must Be a Complement to Tillage,
Not Substitute for It

No 1: Cover-crops

"Yet another problem hampers the performance of mechanization: the tools used for tilling the soil. We have no statistics on farm tools, but even so we know that there is a sufficiency of such equipment to follow the tractors, albeit most inadequately specialized and quite unsuited to any diversifications in soil dressing. The tool most widely used and most often tractor-drawn, says Najiullah, is the cover-crop planter. The number of cover-crop pulverizers and offset planters just about equals the number of tractors. Disc-harrows account for about a third of that number. The other soil-preparation tools (share-plow, coulter-plow, and the rotary plow) or those for seed-dressing (rollers, harrows, seed-drills) are used in a few advanced sectors (land-reform tracts) or by a handful of up-and-coming farmers. Why should this be? In all probability, it can be attributed to the nature of the Moroccan farmer: before the introduction of draft animals, almost all land was cultivated with the swing-plow, an ancient tool suited for small plots but making it possible to get the job done relatively fast. When mechanized traction was introduced, the same principles were followed -- the quest for a multi-use tool that was simple to maintain and fast on the job. Hence, unquestionably, the emergence of a fleet of traction tools as undiversified as the old one, and the exclusive position accorded to the most miraculous tool of all: the cover-crop.

However, while this tool was relatively well-suited to extensive agriculture without surface limitations, it is incompatible with intensified production which implies adoption of specific and diversified patterns of soil preparation, and especially of the deep cultivation which this particular tool cannot perform..

**Solution: Generalized Mechanization
and a Shot in the Administrative Arm**

In the view of AMIMA's president, this problem is not wholly attributable to the peasants' mind-set and habits: it can be laid evey bit as solidly, even now, on the lack of ready money: "The CNCA has in face expended a great deal of effort into helping the farmer get the equipment he needs; unfortunately, that agency behaves like a private commercial bank. This agency ought to be taking more financial risks, by lengthening the terms of loan repayment so as to trigger a new upsurge in mechanization and its diversification..."

In our view, however, aware as we are of the CNCA's inadequate resources, these measures plus a portion of funding, should be supported and found in the private banking sector or in any other private agency set up for this purpose. The experience of some farm-machinery dealers with pre-financing indicates that there may be an area of interested and solvent demand.

"These financing problems keep the peasant-farmer from buying, and keep us from selling. The evidence is there in the tractor fleet, which right now consists of no more than 25,000 units, whereas if the nation's farms are to be properly tilled, estimates show that we need at least 70,000 tractors," says Auto-Hall's CEO.

Sales over a period of 10 years have in fact totalled only 23,601 units. Worse yet, at the very time we weretalking about a new wave of mechanization, tractor sales dropped by 35.08 percent in 1983 and by 16 percent in 1984.

Here, for that matter, is the total of sales over 10 years:

1975	2,036	1980.....	1,565
1976	2,746	1981.....	1,611
1977	2,503	1982.....	3,596
1978	2,626	1983.....	2,408
1979	2,510	1984.....	2,000 (est.)

These figures show us that sales averaged 2,400 tractors per year. To reach 70,000, we should need, over a period of 10 years, to sell some 7,000 tractors every year!

That is a peak that can never be achieved under present conditions.

"There was a point when we thought that the record sales in 1982 would go up still higher. But in actuality we realized that this highwater record was partly the result of the farmers' favorable reaction to the incentives granted by the government during that year, and partly a reaction to the good harvest of 1982," says Najioullah.

"It's not enough for the peasant to be able to buy: we must also be able to sell," ANIMA's president repeats. "Doing business in the companies that distribute farm machinery must, like the enterprise of the peasant farmer, be remunerative. The dealerships are private corporations struggling to make a profit, and if they can't do that, they will just have to shut up shop."

The future of this sector is intimately tied with agricultural expansion and, inversely, agricultural expansion requires the presence of a dynamic and prosperous commercial sector.

"What happens," says Najioullah, "is this: several months ago, we needed an import license for farm equipment, although the total value of this equipment amounted to only 1.14 percent of our total imports."

Now, with liberalization in effect, imports of almost all farm machinery are no longer subject to license, yet bureaucratic red-tape still hampers rapid expansion of the market.

The dealers are trapped by gigantic cash-flow problems, according to one distributor: the president of AMIMA:

"The financing procedure for the tractor subsidy weighs heavily on the resources of our member companies; loan repayment terms are increasingly long. From the 3-month term agreed upon with the government, recovery time has stretched to 6 months; since filing the dossier with the Ministry of Agriculture and Agrarian Reform (MARA), the total time-lapse for recovery (between the date of sale of the tractor and payment of the subsidy) often exceeds 11 months."

The move that replaced the grey card with the deposit receipt has turned out to be dismally ineffectual. In any case, the present situation cannot be allowed to continue: "We are asking the agencies responsible for this gridlock to dispose of the petitions now before them on an emergency basis and to devise a new procedure based on post-hoc examination," the AMIMA president avers.

Elsewhere, there is a problem with the reimbursement process for farm machinery imports, which were declared exempt from duty in April 1982. Very simple at the start, this problem turned complicated when the government changed the procedure by requiring distributors to provide a copy of the vehicle registration card.

That is something that is not at all clear and, in any case, neither expeditious nor practical.

The government should do a little serious thinking about all these problems and a lot of others by building a fire under its agencies, in which sloth and indifference are endemic. Quite simply put, if

increased cereal-grain production must be achieved by timely completion of the work of preparing the soil properly for planting, it must be made clear to all concerned that this cannot be achieved without widespread use of suitable machinery. At most, it can be said that the government itself is responsible for the present state of affairs!

How long, O Lord? The question is still unanswered.

6182

CSO: 4519/59

NATIONAL ASSEMBLY SPEAKER'S BACKGROUND REVIEWED

London AL-TADAMUN in Arabic No 83, 10 Nov 84 p 3

[Article by Fu'ad Matar: "Karbala' Native Who Heads Iraq's Parliament"]

[Text] Even though the leaders of the Iraqi regime headed by President Saddam Husayn do not relish sectarian classifications, it may be permissible, now that Dr Sa'dun Hammadi has been elected speaker of the National Assembly (Iraq's parliament), to ask: is President Saddam Husayn preparing to entrench democratic life in the post-war period and is this Karbala' native--the man who is not reported to have failed throughout 9 years to understand President Saddam's ideas and to read ideas carefully--the one who will perform this role or this task?

The answer comes instantly, tipping the scales in favor of confirming that President Saddam looks forward to this entrenchment of democracy, depending on the circumstances emanating from the war on the one hand and on the tranquillity that accompanied the National Council's first session on the other hand.

The 54-year-old Dr Sa'dun Hammadi is a member of the first generation of the Ba'th Party and has a special place in the hearts of the second generation of Ba'thists among whom President Saddam represents the most vital symbol.

What is important about Dr Sa'dun is that he has not been in prison frequently and that he introduced Ba'thist thought into Iraq gently. He is the model of the Ba'thist who does not go underground and who--while above ground and out of jail, if possible--preserves vitality, discipline and continuity. He is perhaps one of the few who, without having the asset of being pursued or of spending long periods of time in jail, have taken over extremely important responsibilities. He is also perhaps one of the few whose star started to rise next to that of Saddam Husayn when the leadership was a two-man leadership (Ahmad Hasan al-Bakr and Saddam Husayn). Hammadi's rise has reached the point where he has taken over a new responsibility, namely, speakership of the National Assembly, next to Saddam Husayn also. In the period between the start of his rise and his taking over the new position, Dr Sa'dun Hammadi has been in the center of Iraqi decision making. He was a member of the Planning Council in October 1968. A month later, he became chairman of the Board of Directors of the National Oil Company, a position he kept until 3 May 1975. On 31 December 1969, he was appointed minister of oil and minerals and on

11 January 1972, he participated in the delegation to the negotiations with the foreign oil companies operating in Iraq--negotiations which ended up with the nationalization decision. On 11 November 1974, he was appointed minister of foreign affairs and on 25 January 1982, he was appointed minister of state at the presidential office. On 27 June 1982, he was elected a member of the Ba'th Party's Regional Command. After gaining membership in the second session of the National Assembly on 21 October 1984, he was elected assembly speaker on 31 October of the same year.

The problem that may face Dr Sa'dun Hammadi is that he knows more Arab rulers and ministers of foreign affairs than he knows parliamentary speakers. Dr Hammadi's problem may also be that he is a man of principle whereas the task of a parliamentary speaker is primarily one of maneuvering and that he is a man of persuasion and not a fighting man. But what seems to be a problem regarding the circumstances under which Iraq lives and which emanate from the war with Iran is, in some of its aspects, an accomplishment and even one of the cultural papers of the conflict [as published] in which Iraq is engaged. Moreover, what seems to be a problem is, in some respects, something that is needed because that which cannot be achieved through contacts between diplomatic and special envoys of all kinds may be achieved between parliamentarians when they meet. If these parliamentarians are trustworthy and are people with experience in persuasion, as is the case with Dr Sa'dun Hammadi, then what seemed impossible in the past at the level of upcoming and the extremely intense Arab and nonArab problems becomes possible with time.

To repeat, the task of this Karbala' native who got his Ph.D in agricultural economies from the University of Wisconsin in the United States in 1958 and who was elected chairman of the Iraqi Economists Association in 1971 is not to occupy the speakership of the second session of the Iraqi National Assembly on the grounds that whoever holds this position should, according to tradition, be a Shi'ite. Rather, his main task is to read and implement carefully ideas which revolve in their entirety around a central point, namely, preparing to entrench democratic life in Iraq on the premise that the war will end in one way or another.

It remains to be said that the election of Dr Sa'dun Hammadi to the speakership of the Iraqi parliament has spread a feeling of satisfaction among many inside and outside Iraq. Moreover, this election reaffirms not only the interest of President Saddam's Iraq in selecting the right man for the right job at the right time.

8494

CSO: 4404/110

ECONOMY BEGINS TO SHOW EFFECTS OF WAR

London AL-HAWADITH in Arabic No 61, 2 Nov 84 pp 52-53

[Article: "The Iraqi Economy Has Become Geared to War"]

[Text] More than 4 years after the outbreak of the Gulf war the Iraqi economy has begun to show that it is becoming increasingly geared to the war situation. It has reached the point that certain Arab bankers have begun to consider 1984 the year in which Iraq's economy has finally settled into a "war economy."

Several measures have contributed to establishing the basis of Iraq's war economy. The following are the most significant:

Imports have been decreased by approximately 50 percent.

Iraq's principal sources of goods and services have been persuaded to offer Baghdad credit facilitations and to accept deferred payment on some debts.

Serious progress has been made in increasing the volume of crude oil exports.

Behind these measures is an official Iraqi conviction that the war with Iraq cannot be decided militarily in the near future. Consequently, adjusting to the war situation has become the main indicator of this phase of Iraq's economy.

Iraq has achieved remarkable results in reducing public expenditures. The value of imports has declined from \$19 billion only 2 years ago to a mere \$8 billion. The policy of emphasizing investment spending gets the most credit for this reduction since spending on non-strategic projects came to a complete halt in 1983, and so new big projects have been scheduled since that time.

With regard to military spending Iraq has passed the stage of reequipping its armed forces. Its spending on the war has been reduced to approximately \$400 million a month, which is only slightly higher than Iran's. In 1982 Iraq spent an average of \$1 billion a month on the war!

Both France and Soviet Union have unambiguously demonstrated their readiness to cover these costs through real credit facilitations. The Soviet Union has placed a low interest \$1 billion loan at Iraq's disposal. The French foreign export insurance company, COFACE, has assumed responsibility for insuring French military reinforcements to Iraq during the current year, up to \$1.11 billion.

The huge flow of Arab financial assistance has, for all intents and purposes, stopped. It is now limited to ad hoc assistance to cover specific expenses required by the circumstances of the war. This has occurred since the oil revenues of the Arab countries declined sharply during the last 2 years. However, Iraq is still receiving from both Saudi Arabia and Kuwait income from its share of oil exports from the neutral zone. At the present time this income constitutes the main form of Arab support in the way of direct assistance to Iraq.

Nevertheless, the most promising factor in settling Iraq's economy on a war footing is the approaching implementation of the first phase of the pipeline which will link Iraq's southern oil fields with the Saudi oil exporting port of Yanbu' on the Red Sea. Late last September Iraq signed a contract with an Italian consortium called (Saibim) to implement the first phase of this project.

Most of the financing for the new pipeline will be done through bartering Iraqi crude oil. The agreement calls for the export of approximately 35,000 barrels of crude oil a day for a period of a little over a year, to the Italian government owned (Agip) company. Iraq hopes to begin pumping oil across the new pipeline in 1986. This will help make [the Italian government] willing to offer more credit facilitations to the Baghdad government.

9123

CSO: 4404/99

BRIEFS

MIRAGE PLANES, EXOCETS DELIVERED--Reports from the French Ministry of Defense say that Iraq has received recently a squadron of eight Mirage F-1's in accordance with a contract concluded at the beginning of 1982 and which calls for supplying Baghdad with 29 such aircraft. The reports add that Iraq is regularly supplied with nearly 10 Exocet missiles a month. These are the missiles used by the Super Etendard aircraft against ships heading for the Iranian ports in the Gulf. [Text] [London AL-HAWADITH in Arabic No 1461, 2 Nov 84 p 9] 8494

CSO: 4404/98

KUWAITI PAPER REPORTS NATIONAL ASSEMBLY DEBATE

GF211420 Kuwait AL-RA'Y AL-'AMM in Arabic 19 Dec 84 pp 4, 5

['Abdallah al-Qaq report]

[Excerpts] The National Assembly approved on 18 December final accounts for four government institutions and began discussing a report by the Health and Social Affairs and Labor Committee on two proposals for two draft resolutions on amending some of the clauses of the cooperative societies law.

At the beginning of the session, National Assembly Speaker Muhammad Yusuf al-'Adasani welcomed the presidium of the Supreme Soviet delegation led by Avgust Voss, chairman of the USSR Council of Nationalities, and the delegation accompanying him who are visiting Kuwait at the invitation of the National Assembly.

In a brief address, Speaker al-'Adasani praised fraternal bilateral relations and expressed the hope that the talks between the two sides will be purposeful and constructive in developing and strengthening relations between the two countries.

Muhammad al-Rashid: I thank those in charge of KUNA and wish them success. I feel sorry that I have to lay some blame on them with regard to covering the [Kuwaiti] plane hijacking incident. Is the fault theirs or otherwise? Muhammad al-Rashid demanded that competent personnel be assigned to the agency.

Khalaf al-'Anzi: For the second time I broach the issue of KUNA, with due respect for individuals. We respect everyone, but we do not want special deference for anyone. What we want is real work. The agency represents no more than 10 percent of its work. The officials of the agency have been insisting since its establishment on providing a building. We believe that such a venture requires a thorough study of these matters.

He said: KUNA's covering of the news was late. It comes to us after the other agencies, while our agency, of which we are proud, used to be late in providing us with the news. He wondered: Why is not a director of administration affairs appointed? He asked: Is the intention to concentrate administration in the hands of one or two people? Work must be done by everybody and everyone who supports the institution must be encouraged.

With regard to Kuwaiti youth, they are finding it difficult to join this institution. As to KUNA correspondents abroad, in the USSR, the United States, and Europe, the matter has become like a company which has branches abroad. What is required is to choose competent correspondents, to avoid the transmission of tendentious reports. Unfortunately, correspondents working abroad have not been well-chosen, with regard to the importance of journalism and its role in checking reports for accuracy. Unfortunately KUNA correspondents abroad must be reconsidered.

Minister of Health: The reports on the hijacking incident were contradictory, and the job of the agency was to report the true news and this is what it did during the incident.

Khalaf al-'Anzi: It is reasonable for a cabinet member to defend a particular subject, but for a deputy to do this is unacceptable.

If Brother Salih wants to be a protector of the agency and speak for it, and if he wishes to instruct us, then it is unacceptable.

Salih al-Faddalah: The regulations do not prohibit me from voicing my frank opinion on the agency in which I have worked as a senior official.

Khalaf al-'Anzi: Brother Salih has worked for the agency for 4 years. I discuss a subject which is proposed for discussion and I give my opinion on it.

The National Assembly approved KUNA's budget with a majority of 32.

CSO: 4400/56

PRESIDENTIAL ADVISOR COMMENTS ON AMERICAN POLICY

London AL-HAWADITH in Arabic No 1465, 30 Nov 84 pp 13-14

[Interview With Former Advisor to President Amin al-Jumayyil Dr Wadi' Haddad, by George Bashir in Washington D.C.: "The Negotiations Going On Outside al-Naqurah Are More Important and More Lasting"; date not specified]

[Text] The question being raised in Washington these days, after the American elections and President Ronald Reagan's return to the White House, is: What will he do? How will he act towards world problems, especially the Middle East crisis, the Lebanon crisis, and relations with the Soviet Union and Europe?

Will President Reagan rely on joint action in finding solutions to international problems, or will he continue to reject such joint action?

The political kitchens and strategic studies bureaus in the American capital are drawing up scenarios for American political action for the Reagan administration over the next 4 years, and diplomats and special delegates are shuttling between these bureaus and kitchens to read the signs and record their impressions.

In the following interview, Former Advisor to President 'Amin al-Jumayyil Dr Wadi' Haddad, who is considered an expert on American policy and strategic action, tries to give AL-HAWADITH an idea, from Washington D.C., of the future American strategy of President Reagan's administration.

[Question] After President Reagan's overwhelming victory, what do you expect will be the structure of his new administration, and what can Lebanon and the Middle East expect from the new-old president?

[Answer] We cannot expect basic changes among foreign policy officials in the Defense Department, the State Department, the White House and the National Security Council, which means that general foreign policy will continue to be based on the principle of East-West conflict, and not on regional considerations. Consequently, the most important factor in foreign policy developments will be the extent of the rapprochement and mutual

understanding between the United States and the Soviet Union. President Reagan can be expected to give this factor the priority and attention it needs during the next few months, and there are also indications from Moscow showing positive intentions regarding such rapprochement.

[Question] For example?

[Answer] The congratulatory message which the Soviet leaders sent President Reagan, and their rational response during the incident of the arms ship heading for Nicaragua. Moscow could have taken an escalatory stand and could have said, for example, that the Soviets are free to send arms and ammunition to any country, and that Nicaragua can import whatever arms it wants, and the situation would have escalated. On the contrary, Moscow took a conciliatory, understanding stand which gave the impression that it wanted mutual understanding, give and take, and dialog. This non-escalatory, if not submissive, stand gave observers the impression that the Soviet Union did not want a confrontation. In addition, there is serious talk going on about conducting comprehensive negotiations between the two superpowers, beginning with talks between Secretary of State George Schultz and Foreign Minister Andrei Gromyko.

[Question] Can we expect an American-Soviet summit in which all pending international issues and problems will be brought up?

[Answer] As usual, the American president's second term can be expected to be a time of revealing oneself as a man of peace. Therefore, President Reagan can be expected to show a more positive inclination towards solving hot issues, not necessarily in partnership with the Soviet Union, in the sense of giving it a chance of a diplomatic success, but in reaching a sort of mutual understanding and accepting a limited influence for the Soviet Union in some areas. In this context, it can be said that the coming year is likely to see an atmosphere suitable for peace in the Middle East.

[Question] What do you think the desired Middle East peace will concentrate on?

[Answer] On the international scene, we have observed a softening in the mood between Moscow and Washington. On the other hand, the United States continues to believe that solving the Middle East issue is essential for world peace, as well as being essential from the standpoint of American strategy, now that the Shah's regime in Iran has fallen and Israel continues to occupy an excellent position in American public opinion.

Regionally, although the new federal government of Israel is a coalition government between the Labor and Likud Parties, Israeli foreign policy appears to be dominated by the Labor Party's thinking, the basic principle of which, when it comes to Israeli regional policy, calls for guaranteeing Israel's national security more than attending to regional geo-political changes.

In this context, Israel now sees Syria's political and military might increasing, and finds itself in a dilemma. On the one hand, if it doesn't do anything, and Syria continues to grow politically and militarily, Syria can be expected to become equal to Israel in these two fields, because as the Israelis see it, the present situation threatens Israeli national security.

[Question] If Israel chooses war, won't it find itself in a confrontation with the Soviet Union?

[Answer] If Israel opts for a conclusive war, it might find itself in a confrontation with the Soviet Union, which is tied to Syria with a friendship treaty. This would drag the United States into a more serious confrontation having wider consequences. Therefore, Israel is not receiving any encouragement from the United States to undertake this gamble. So Israel's only choice is to look for a permanent peace with the countries of the region, especially Syria, instead of relying on the principle of neutralizing the countries of the area, as it did with the Camp David agreement it concluded with Egypt.

All of this is from Israel's point of view. From Syria's standpoint, Syria's ongoing requirement for concluding any peace has been that such peace must be comprehensive, that it must be achieved with Moscow's participation, and that Syria must be given a fundamental part in representing the Arab cause. Therefore, the American-Soviet situation as we explained it might ensure the element of Soviet participation in one form or another. Furthermore, as a result of the Lebanese and Palestinian situations, Syria might happily find itself holding enough Arab cards to enable it to play this basic role. The most recent American tendency, as expressed by Assistant Secretary of State Richard Murphy, might be an acknowledgement of this role.

[Question] What are the three Arab stands (Egypt, Jordan and the PLO) on this activity and its anticipated results?

[Answer] In case the peace stocks go up, Jordan's only choice is peace; otherwise, the solution will be at its expense. Therefore, when officials in 'Amman sensed that the American peace tendency might concentrate on Syria's role, 'Amman tried to keep this tendency going, and raced ahead to bring about a conciliation with Egypt and a strategic alliance with the PLO, forming yet another bloc to achieve peace, not to declare war.

[Question] Then there is the Lebanese crisis, America's former role in which was obvious. What part do you think the new administration will play in the future?

[Answer] The American administration cannot be expected to deal with Lebanon according to the same priorities and with the same political fervor it had from mid-1982 to early 1984, because the situation then was based on President Reagan's ardent political commitment to Lebanon's need to achieve unity, free itself from all foreign presences, and rebuild itself. This commitment led to separating the Lebanese issue, in stages, from the Middle

East issue, in spite of Reagan's comprehensive peace initiative of September 1983. America can now be expected to deal with the Lebanese crisis in the same context as the Middle East crisis. The best proof of that might be the fact that the Lebanese-Israeli negotiations are being conducted by American Delegate Murphy in the form of indirect negotiations between Syria and Israel.

[Question] Exactly what is Murphy's role?

[Answer] To see to it that the Lebanese-Israeli negotiations do not reach a dead end, like what happened on 17 May. The purpose of these negotiations is to bring Syria into the essence of these talks, and to reach, through America, an implicit understanding. Murphy's task centers on Lebanon's future situation vis-a-vis Syria and Israel.

[Question] In this case, what stand should Lebanon take?

[Answer] Lebanon must not be satisfied with the direct military negotiations with Israel that are going on now at al-Naqurah. Rather, it must give particular attention to other negotiations, because these would be more important, more lasting, and more decisive. It must revive Lebanese diplomacy, first with Syria, through complete openness and clear-cut Lebanese stands, and with America second, because America is the only party to these negotiations which has no interests which interface with Lebanese interests.

[Question] Does this mean that before the 17 May agreement the Lebanese stand on Syria was unclear?

[Answer] The Lebanese stands were clear-cut and definite, especially with respect to non-Lebanese military presences. No connection was made between these stands and the requirements of the Syrian stand, because the prevailing assumption at that time was that these stands were known to both sides. Similarly, some Lebanese and Arab parties had diametrically opposed stands which gave conflicting signals.

[Question] What can be expected to result from the al-Naqurah talks?

[Answer] While these negotiations are important in the immediate sense, they face some very thorny, well-known problems because of the lengthy talks which preceded them. All the cards are on the table at these negotiations; the stands are clear-cut, and the arguments are known beforehand. Therefore, these negotiations might be short or they might be long, because what is known is hard to solve as long as there are factors which transcend Lebanon. Right now, all the given Lebanese factors make it appear that Lebanon is unable, even with its absolute sovereignty, to ensure the Israeli demand--security as Israel defines it.

[Question] Do you expect the dossier on Syrian withdrawal from Lebanon to be opened after the Israeli withdrawal, in case the al-Naqurah talks are successful?

[Answer] This raises questions as to whether these negotiations will actually lead to an absolute, complete Israeli withdrawal, which is Syria's primary condition for opening the dossier on its withdrawal from Lebanon. Here, beginning negotiations in itself will be beneficial to Israel, for it always benefits from negotiating. First of all, it has brought America back to the region--for a price, which might be the economic aid which Israel needs so much, which may amount to US\$4 billion. Second and more important is the concurrence with Israeli public opinion's demand for withdrawal. Consequently, the start of negotiations means the start of the withdrawal, without the actual withdrawal, which would strengthen Prime Minister Shimon Peres' position after less than a year has passed since the formation of the coalition government with Likud.

8559

CSO: 4404/127

NASIRITE OFFICIAL IN SIDON DISCUSSES OPTIONS FOR SOUTH

Riyadh AL-YAMAMAH in Arabic No 830, 28 Nov 84 pp 42-43

[Interview with Popular Nasirite Organization Secretary General Mustafa Ma'ruf Sa'd: "Let the Arabs Support What the South Produces, in Partial Repayment"]

[Text] Every day there are more and more questions about the future of the Israeli presence in vast areas of Lebanon. It is obvious that an Israeli withdrawal in the near future, especially from South Lebanon, is only a dream which the Israeli enemy is trying to plant in the minds and hearts of everyone. Israel's measures to cut off and besiege the South are intensifying day by day, disproving all the dreams and affirming that the South's only option is to stand firm, and that Lebanon's only choice is to unite under the banner of the resistance in order to expel the invading occupier.

Secretary General of the Popular Nasirite Organization Mustafa Ma'ruf Sa'd is a well-known national figure who is still living in the South's capital of resistance, Sayda. Along with other national leaders, he has headed the popular uprisings which have swept the cities and towns of southern Lebanon in the face of Israeli occupation. We asked him a good many questions about his vision of South Lebanon's future, his stand on matters relating to the South, which has stirred things up inside the Lebanese government, and his views as to the duty of the state and the Arabs towards the South, and he answered our questions frankly.

[Question] The Israeli occupation forces have recently intensified their siege of Southern Lebanon and their isolation of other areas of Lebanon. What do you think is the enemy's purpose in doing so?

[Answer] I believe that the main reason these measures against the southerners have been escalated is that after the 17 May agreement was nullified and the Dabih office was closed, the enemy had to step things up in order to pressure the Lebanese government (the National Unity Government) into initiating new, direct negotiations with the occupation forces.

Besides, these Israeli measures have been in existence ever since Israel entered Lebanon, so we are not surprised by this stand, since it was only to be expected of the Zionist forces.

As for the intent, it is to further degrade the people, bring them to their knees, and force them to swallow the Israeli occupation. It is not surprising that Israel has adopted such escalation measures, and they are unimportant as far as we are concerned. The important thing is tireless work to oust the enemy. Our strengths are patience, perseverance and opposition to the enemy and all its measures.

[Question] How do you see the situation in case these measures are escalated and Israel withdraws from South Lebanon?

[Answer] I believe that the Israeli withdrawal from Sayda is still going on, and that it might possibly extend to al-Zahrani and al-Qasimiyah. The situation is clear, and it re-affirms our desire for coexistence with the area's patriotic Christians, who played a major role before and after the Israeli invasion. They have confronted hostile forces, such as the Lebanese Forces, in the course of their unbending patriotic stand and their rejection of the practices, measures and excesses perpetrated by forces supported by the Zionist enemy.

Therefore, our people must show no mercy to those who kill, kidnap and displace the citizens. Our people can show no such mercy, because of our intense desire for and affirmation of Muslim-Christian coexistence in this area.

If there is no Israeli withdrawal, we feel that things will get worse, and that Israel's oppressive measures, attempts at degradation, and the arrests which the occupation forces carry out in the towns and villages of the South, will continue. We believe that in case of an Israeli withdrawal, the Army of South Lebanon will remain in the occupied areas as if Israel were still there.

[Question] Do you expect problems in case Israel withdraws?

[Answer] We certainly hope that there won't be any problems in this area, but we don't know what is in the minds of the leaders of the Lebanese Forces, especially with regard to Sayda. Nevertheless, we are ready for any eventuality, and we have some specific and general information to go on.

[Question] There is speculation that the Israeli Labor Party's participation in the Israeli National Unity government will lead to an Israeli withdrawal from Lebanon.

[Answer] Any decision to withdraw will be made with or without the Labor Party. There is no difference between the parties, but there is a difference in the the tactics used vis-a-vis regional issues. Both parties--Labor and Likud--are hostile, racist, expansionist, Zionist parties.

[Question] What sort of problems are Sayda and the occupied areas suffering from now?

[Answer] No doubt there are many pending problems and issues. Even though the so-called Lebanese Forces have theoretically been dissolved and replaced by the "Free Christian Group," the members of this group are the same ones who were working with the Lebanese Forces and the Phalangists.

This group has been strengthened by the presence of the Israeli forces in the area. They are occupying flats in 'Abra and al-Halaliyah, in addition to having displaced many citizens from their homes.

[Question] Do you have any contact with the Free Christian Group?

[Answer] No, because any contact with this hypothetical group is out of the question as long as its members are subject to Israel and not to the nation.

[Question] In view of the prevailing situation in Iqlim al-Kharrub, do you anticipate, in case the Israeli forces withdraw from Sayda, that there will be a confrontation with the Lebanese Forces stationed in parts of Iqlim?

[Answer] Our information has it that the Lebanese Forces are now massing in the Iqlim area, and that they have been reinforced, by sea, as far as the area of the coastal road.

Nowadays the Forces are constantly agitating and stirring up national positions in Iqlim, and I believe that if they continue to do so it will be necessary to break the siege of Iqlim al-Kharrub. We expect a battle in case of a sudden Israeli withdrawal, because Israeli plans call for igniting the entire situation, like what happened when they supported the Forces against the people of the Jabal and the Shouf.

[Question] How successful has Prime Minister Karami's government been?

[Answer] Unfortunately, so far the National Unity government has been unable to achieve the points agreed on at Lausanne and in the ministerial statement.

The cabinet discusses only secondary things and does not treat them in depth, which is not healthy for national accord. If you asked me why the Karami government has been so unsuccessful in important issues, I would reply that this is because the Phalangists' scheme for gaining control is still alive, and they are still taking a pro-Israeli stand. How can we reconcile the Lebanese-Arab stand and the Lebanese-Israeli stand within the government?

The basic problem is that the Israelis are occupying our land, and none of the security plans extend to the South. On the basis of the coastal road alone, these plans are objects of scorn, and merely play with time and nerves.

Therefore, I am all for opening the Beirut-Sayda coastal road, peaceably or by war. We cannot wait for the security plan in the Jabal or elsewhere, for

the problem of the South takes precedence. The government must ensure an Israeli withdrawal by whatever means.

[Question] If the government sticks to its stand, what is the solution for the problem of the South?

[Answer] The solution exists--as people of the South, we must be patient and resist. But let everyone know that the security of Lebanon as a whole lies in the security of the South. Everyone has to realize that.

[Question] Is the government capable of deploying the army in a security plan for the coastal road?

[Answer] Why not? Let the Third Brigade, stationed uselessly in Sayda, be stationed along the coastal road to perform security functions.

But the government is trying to water down the coast road's security plan, and has placed obstacles in its way, accusing national parties of not agreeing to the army's deployment along the coastal road. These accusations are a shameful attempt on the part of the government to evade its duty to place Lebanon in real confrontation with Israel, in order to wipe the 17 May agreement from the face of the land.

[Question] But will Israel permit the army's deployment before an agreement is reached to that effect?

[Answer] Of course this will not be easy, for there are many difficulties. But we must make a serious decision with respect to the situation in the South. To date, no serious cabinet decision has been taken with respect to this situation. It is truly unfortunate that the complaint to the Security Council was only a humanitarian complaint about arbitrary Israeli measures, and not a complaint openly demanding a complete, comprehensive Israeli withdrawal from the South and from all occupied Lebanese territory.

[Question] What do you think of the new arrangements with Israel?

[Answer] They are only security arrangements, guaranteeing a complete, comprehensive Israeli withdrawal from all the territories it has occupied. There were no direct negotiations and no recognition--the arrangements only ensure Israeli withdrawal to international boundaries. In other words, the arrangements develop the truce agreement in such a way as to guarantee Lebanon's complete sovereignty without contradicting Arab resolutions rejecting any peace, negotiations with, or recognition of the Zionist enemy which is occupying Palestine and parts of other Arab states.

[Question] In your opinion, can the South continue to stand up to the Israeli siege, which is getting harsher day by day?

[Answer] There is not the slightest doubt in the ability of the people of the South to persevere, for they are holding on to every particle of soil. They don't expect anyone, the government or anyone else, to help them

persevere, for they can stand alone. They suffer, resist, and die, with no choice but more resistance.

Yet the government officials must feel something for these great people of the South--at least some patriotic feeling of responsibility for these people who are paying the tax for every Lebanese and Arab, wherever he may be.

Therefore, we demand that the state, and the rest of the people, take action to reinforce and strengthen Southern perseverance, by subsidizing the farmers, exempting all southerners from water, electricity, and telephone fees, and so forth.

We also demand the release of development projects for the South, in addition to the revival and activation of official departments and organizations.

What we are demanding from the Lebanese state and people we are also demanding from all Arab and friendly states.

Our Lebanese people have suffered pain for every Arab tragedy, and have never hesitated to extend their hand to their Arab brothers in times of misfortune and pain. Unfortunately, today we see a wall of Arab silence over the issue of the South.

Let the Arabs support the Lebanese economy, especially what the South produces, and let them participate in reconstruction projects for the South. Whatever the Arabs give can never repay what these great people of the South have given for the sake of Arab causes everywhere.

8559

CSO: 4404/127

AL-HUSAYNI INTERVIEWED ON GOVERNMENT ACCOMPLISHMENTS

London AL-MAJALLAH in Arabic No 247, 3 Nov 84 pp 24-25

[Interview with Husayn al-Husayni, Lebanon's New President of the Chamber of Deputies, by Zaki Shihab, at al-Husayni's home; date not specified:
"Al-Husayni: 'I'll Bet on Geography'"]

[Text] Beirut--The election of Mr Husayn al-Husayni as president of Lebanon's Chamber of Deputies, and the dollar's high rate of exchange were two items of news vying for attention on the front pages of Lebanese newspapers two weeks ago. Both items have special meaning, despite their different subjects, for the current situation in Lebanon.

What is the policy of the new president of Lebanon's Chamber of Deputies? Among the throngs of people who had come to his home to congratulate him, AL-MAJALLAH interviewed Mr Husayn al-Husayni, who praised our predictions of his victory. (About 4 months ago AL-MAJALLAH published an item predicting that deputy Husayn al-Husayni would hold the number 2 position).

AL-MAJALLAH's first question concerned his stand on relations with Syria.

[Question] It is said that you were successful in achieving the presidency of the Chamber of Deputies because you put your money on the Syrian-Lebanese agreement, while others' failed because they were betting that an agreement could not be reached. Is this true?

[Answer] Yes, because I am one of those who say that although it may be possible to falsify history it is impossible to falsify geography.

[Question] What do you mean by that?

[Answer] Syria is Lebanon's strategic depth and its Arab depth. Syria has a role to play in Lebanon in times of adversity and prosperity. Lebanon also has a role to play with Syria in two cases. Asking Syria and all the sister Arab countries to put all their resources in the service of the great national goal--rescuing Lebanon from its ordeal of the last 10 years--is not a question of begging for charity. Rather, it is the duty of Syria and the sister Arab countries to provide this help, particularly in view of the

Israeli plot to split Lebanon up into sectarian religio-ethnic entities. This same plot is aimed at fragmenting the entire Arab world, to do the same thing to all the countries surrounding Israel. For that reason I believe that saving Lebanon, affirming the unity of its people, territory and institutions, and establishing its independence and sovereignty over all of its territory constitute the first line of defense of the entire Arab nation.

[Question] In light of this, what will be the future of relations between Lebanon and Syria?

[Answer] I think that there is a residue of mistrust between the Syrian and Lebanese governments. This derives from the period in which Lebanon was subjected to the Israeli onslaught. Certain Lebanese imagined that it was possible to apply the principle of give and take with Israel, and this led to the signing of the 17 May agreement which almost destroyed Lebanon.

However, much of this residue of mistrust has disappeared since the abrogation of the 17 May agreement and the formation of a government of national unity, despite the fact that so far it has not been able to achieve its goals. I believe that it is our duty to work, with the support of the sister Arab countries, to eliminate whatever residues of mistrust may remain so that we can utilize Syria's support and capabilities and the support of the faithful sister Arab countries to extricate ourselves from our difficult situation which Lebanon can no longer endure.

[Question] You were one of the most outspoken opponents of the signing of the 17 May agreement with Israel. What was the basis of your rejection from the beginning?

[Answer] There is a fundamental point that no one can ignore: Lebanon alone cannot establish peace in the Middle East because peace in the Middle East is dependent on a solution to the problem of the Palestinian people and granting them their legitimate rights. What I mean by this is that Egypt, the largest and most powerful of the sister Arab countries, signed a separate peace agreement with Israel. But Egypt together with Israel and the United States failed to establish peace in the region. This confirms that there is no country by itself which can claim that it can establish peace. Thus I refused to accept the subject of Israeli withdrawal beyond the application of security council resolutions, beginning with Resolution 425 and ending with resolutions 508 and 509, and under UN auspices, or at most through negotiations under the auspices of the armistice commission established in 1949. I favor separating the Lebanon's problem from the problem of the Middle East.

[Question] How should the security arrangements with Israel be carried out?

[Answer] The negotiations can only be carried out by military people within the framework of the armistice commission. As far as I am concerned, it doesn't make any difference who serves as mediator--the United Nations or any other party--as long as the mediation does not go beyond the framework of implementing UN security council resolutions.

[Question] How will Israeli's insistence on a role for the "army of the south," under the leadership of Antoine Lahd, be dealt with?

[Answer] There is no "army of the south" in the south. There is Israel. Only Israel is working with Israel. One thing we absolutely reject is that Lebanese sovereignty be subject to conditions on its own territory. We do not consider the UN emergency forces, who were invited by the legitimate Lebanese authorities, in conflict with Lebanese sovereignty. Thus, as far as we are concerned, the responsibility for maintaining security in the south belongs to the UN emergency forces and the Lebanese army. This is in preparation for the Lebanese army assuming full responsibility for maintaining security and extending the sovereignty of the state in south Lebanon.

[Question] Certain Lebanese are clearly afraid that an Israeli withdrawal would leave security problems which would lead to disturbances and massacres. Do you share these fears?

[Answer] Israel has gotten us used to the idea that it is still carrying out its old-new project to fragment Lebanon by sowing dissension and stirring up civil strife among the various Lebanese factions by trying to frighten each faction with another faction. I believe that the war in the mountain offered some warnings so that all factions have become fully aware of Israel's intentions and ambitions. I therefore think Israel is unlikely to be successful in causing new strife, and Israel knows this. If it were not aware of this fact it would not have waited so long to make a new partial withdrawal.

So Israel must know, and know well, that we have decided to pay the price to liberate our land. All it has to do is withdraw totally and unconditionally from our land in accordance with UN Security Council resolutions, and it will save itself and its children a lot of grief.

[Question] Are you saying that one of the choices which might follow is for the Lebanese state to resist the occupation?

[Answer] One of the state's most elementary duties, and one of the most elementary duties of the Lebanese people and one of their most elementary rights as a state and a people is for them to defend their existence and resist the occupier of their land with all means at their disposal. also have the right to demand that their brother Arabs extend a helping hand to support Lebanon, to enable it to assume its national and pan-Arab responsibilities.

[Question] The Chamber of Deputies has played a distinguished and well-known role in the past. What will be its role in the future in light of the new realities?

[Answer] The Chamber of Deputies will cooperate with the executive authority and will help it to arrive at a comprehensive framework for a solution to the Lebanon crisis. Within this framework we will make whatever decisions are necessary in the Chamber of Deputies. I am of the opinion that any gradual anticipated solution is futile.

[Question] You were responsible for an armed movement which received specific attention, the Amal movement. Now you are at the head of one of the decision making centers, as part of the "legislative branch of government." Is it still receiving the same attention?

[Answer] All of the ideas and principles to which I am committed have been made public. They are not secret. They were published on 5 November 1977 in a working paper drawn up under the direction of Imam al-Sayyid Musa al-Sadr. You can refer to it to find out what it contains. This much, at least, I can say: I am committed to every letter in it. I can point out that there are things in this working paper that are non-negotiable. They are considered red lines that cannot be crossed. These include absolute rejection of partition in any form, or by any name: decentralization--whether political, developmental, federal or confederal--or cantonization. There are also things that are open to discussion so that the real interests of every one of the Lebanese people can be determined. This is in addition to the document outlining the unwavering principles of the Islamic position published in September of last year during a meeting held in the hall of Islamic legal decisions.

[Question] You have participated in more than one political front, such as the Front for the Defense of the South, the Islamic Grouping and others. Now the Islamic community is gripped by a pervasive fear that disunity will erupt among themselves. Will you make a specific effort to put an end to these fears?

[Answer] I do not acknowledge religious pluralism. I believe in the single Creator, the Author of the one book which serves one humanity. I believe that my Islam is the Islam of Abraham. I believe that at first God spoke to man through the Torah in the language of things perceptible through the senses. Then He addressed man through the gospel in the language of feeling and love. Then He addressed man through the Koran in the language of intellect, and ended prophecy. If this makes me a believer, how can I believe in sects and schisms, especially when we in Lebanon are not facing the unity of a unified Islamic community, but we are facing a single Islamic community. We will not allow any power in the world come between us because our single unified Islamic community is the basis of Lebanon's unity, and it is one of the conditions for saving Lebanon which is a homeland of both Muslims and Christians.

On the basis of my belief, and on the basis of my attachment to my homeland and the unity of its land, people and institutions, I have no choice but to be a soldier in the service of this single Islamic community, and consequently, in the service of the single Lebanese community, and finally, the single Arab community.

[Question] Your visit to His Eminence Shaykh Muhammad Mahdi Shams-al-Din after your first to the president roused the interest of observers. What did you hope to accomplish by this visit?

[Answer] Let me begin with a hadith of the prophet, the meaning of which is: "If you see religious leaders at the gates of the rulers say 'what evil religious leaders and what evil rulers.' If you see the secular rulers at the gates of the religious leaders say 'What excellent religious leaders and what excellent rulers.'" Furthermore, I believe that the leaders of the religious factions, both Muslim and Christian, are a great resource for the country. We must utilize them as best we can and not squander them. We must strengthen them, and enable them to function for the good of all the people.

[Question] What, in your opinion, has the government of Prime Minister Rashid al-Karami, or the "government of national unity" achieved so far? Do its accomplishments measure up to the hopes that were placed in it?

[Answer] It has achieved absolutely nothing but a cease fire, but that is no small accomplishment. But what the so-called national unity government must do is come up with a comprehensive framework for putting an end to the ongoing crisis and achieving national unity. This we still have not yet achieved. I believe that the continued recess of the Chamber of Deputies since the Geneva conference in Lausanne until the recent elections, has helped to highlight insignificant disagreements in the cabinet and to hinder attainment of the goal. Now, following the elections, with anticipated cooperation between the legislative authorities and the executive authorities we must work together to realize the general spiritual goal which alone causes us all to rally together, and which alone will relieve us all from our insignificant problems. May God help us carry out this task.

Mr al-Husayni paused. He looked at the clock, which said 3:00 pm. The room was still swarming with well wishers. He left his small office and went into the adjoining room to continue welcoming them. "I lost 12 kg during the last 3 months because of the continuous pressure and work," said Mr Husayn al-Husayni. Lunch time had come, but he did not get an opportunity to eat it.

9123

CSO: 4404/99

DANGERS OF SUDDEN ISRAELI WITHDRAWAL FROM SOUTH EXAMINED

London AL-TADAMUN in Arabic No 83, 10 Nov 84 pp 18-19

[Article by Joseph al-Qusayfi: "What the Regime Wants, Before It Is Too Late, Is Israel's Withdrawal From South, Not Pulling the South Away From Lebanon"]

[Text] Beirut--With the onset of fall, the area has begun to experience such an obvious political ebullition that one observer considers this phase the phase of major preparations for the 1985 alliances or directions. In addition to the positive Reagan-Gromyko meeting, to the meetings between Peres and Shamir and between the U.S. and Soviet officials and to the European movement in the direction of the Middle East, especially the French-British movement, the Egyptian-Jordanian-Iraqi-Palestinian coordination constitutes one of the main features of the new tendencies.

Amidst this ebullition, we find that the Lebanese regime has initiated a movement plan which emanates from a profound understanding between Beirut and Damascus. It is to be noted that this plan has moved in three directions, in addition to the preceding special movement in the direction of Saudi Arabia. These three directions are:

First, movement in the direction of the Arab Maghreb (visits to Libya and Algeria).

Second, movement toward Europe (visits to Rome and the Vatican).

Third, entrenchment of the foundations of the Lebanese-Syrian understanding on the basis of President Amin al-Jumayyil's and President Hafiz al-Asad's precise awareness of the two countries' common interests and of the dangers with which the challenges of the coming phase abound.

This is why one of those who are close to the regime believes that President al-Jumayyil's latest tour seeks to:

1. Bolster the domestic front in two ways:

- A. Continue the efforts that seek to entrench national cohesion among the various Lebanese factions at home.

B. Utilize Arab and international support to strengthen internal cohesion or, at least, to freeze the external objections and to prevent them from touching off conflicts in the Lebanese arena.

2. Prevent a solution at the expense of Lebanon if it is not possible at present to channel the solution in favor of Lebanon.

3. Develop an understanding and concurrence, especially with the Libyans, in the direction of future financial aid that helps the comprehensive national and economic salvation plan.

All this comes within the framework of the direct efforts to confront the expected challenges in the south, considering that there has recently been increasing talk of a sudden Israeli withdrawal from the area extending from al-Awwali to al-Litani, and to face the dangers of such a withdrawal, especially since the Israeli withdrawal from the mountain and the tragedies it left behind are still alive in the memories of the Lebanese. A prominent official has told AL-TADAMUN: three conditions must be present to confront these dangers and their ramifications:

First, crystallization to a minimum degree of the political decision coordinated among the various Lebanese factions in order to provide cover for any procedural step on which the government may embark.

Second, beginning of the immediate implementation of the Jabal security plan to enable the Lebanese army to fill any security void that may develop whenever Israel withdraws. Here, one observer believes that those who pose any obstacle, whoever they may be, will be responsible for and will shoulder the consequences of the obstacle they pose because such an obstacle means nothing other than wasting the south. This observer adds that the time has come to reveal all the facts and not to hide behind one's fingers because whenever the regime has proceeded to liberate the south, the Lebanese have been confronted with fabricated obstacles, beginning with the dossier of the kidnapped, the dossier of the evicted and the dossier of the contract teachers and ending with the dossier of benzine.

The same observer added: if the state embarks this time on bolstering financial security by being forced to lift the gasoline subsidy so that it may be able to continue to shoulder its responsibilities and obligations toward the people and if it follows this step by immediately rushing buses to be in the service of the poor class, then does riding the "gasoline wave" to achieve immediate popular gains justify accusing the regime of not wanting the withdrawal of the Israeli forces from the south and of asking the United States to postpone these payments due? One must keep in mind that he who is accusing the regime of this went to New York and asked Secretary George Shultz to exert efforts to establish in the south security arrangements that precede the Israeli withdrawal. The observer wondered: does implementation of the cabinet decisions mean speeding up the payment of dues owed by a number of leaders, i.e., opening the coastal highway to al-Awwali for the Lebanese army so that it may be ready to fill any security void?

It is worth noting that the decisions made recently by the Council of Ministers to lift the subsidy for fuels, to close the illegal ports and to control security within, around and on the road to the airport secure for the Lebanese treasury 7 billion pounds, of which this treasury is in the direst need in order to curtail the deficit and to stem the deterioration developing in the Lebanese pound's purchasing power.

Aside from the roaring guns which poured their fire on East Beirut, not excluding West Beirut, on the night of 28-29 October and aside from the war of words that had flared up among Ministers Junblatt, Barri, al-Huss and Hashim, what is interesting is that prominent Islamic leaders have found the decisions of the latest cabinet session to be promising and that the mufti of the republic has blessed these decisions in front of his visitors and in a public statement. Moreover, ex-Prime Minister Salim al-Huss has expressed his satisfaction with the same results and ex-Speaker 'Adil 'Usayran has been most enthusiastic for them. The decisions have also been well received by Husayn al-Husayni, the Chamber of Deputies speaker, and by the economic notables directly concerned with the issue.

Those who are well informed put a lot of faith in the understanding existing between President Amin al-Jumayyil and Prime Minister Rashid Karami and consider this understanding a fundamental guarantee for the success of the salvation process free from the game of one-upmanship which exposes the ill will of some people toward the national destiny. It is the conviction of the Lebanese officials that what is required is Israel's withdrawal from the south, not withdrawal of the south from the interests of the national responsibility.

Government sources say that despite the fabricated obstacles, the regime is exerting efforts in every direction to insure Israel's withdrawal and to enable the Lebanese army and the UN forces to fill the security vacuum in the south. It is within this framework that the regime has been holding successive contacts with the Syrians and the Americans, as well as making internal contacts, to obviate three objectives which Israel seeks to achieve:

First, to demonstrate that the presence of the Israeli forces in any area constitutes a security necessity for the safety of the citizens, whoever they may be, as evidenced by the fact that its withdrawal ignites sedition and massacres. This is a goal which Israel seeks now so that world public opinion may stop asking it to withdraw from Lebanon which has never attacked it because a request by world public opinion to Israel to stay where it is now provides a legitimate international cover for its plans to continue to be present deep in South Lebanon or wherever it wishes to be present.

Second, to show that Lebanon is unworthy of living as a state and as an alternative homeland, as proven by the fact that it is unable to provide security for its citizens in Beirut, not to mention the south.

This distorted image of Lebanon's inability to insure security north of Israel is the image on which Israel seeks to put the emphasis after having depicted the State of Lebanon as a state that does not respect its contracts and treaties.

Third, to preoccupy Syria and drown it in the maelstorm of the fabricated conflicts in Lebanon so that Syria may turn away from Jordan and from the tendencies of the next political phase pertaining to Arab-Israeli peace.

In conclusion, the Lebanese regime circles have said that this regime is fully aware of these objectives and dangers and has sought through the concerted contacts it has made at more than one level and through Arab, European and international channels to obstruct these Israeli objectives. What is needed is for the internal leaderships to become aware of these dangers so that they may not themselves achieve what Israel has failed to achieve. What is required of all the leaders is to facilitate the arrival of the Lebanese army to the south before the winds of change sneak through the cracks in their doors.

8494

CSO: 4404/110

SEVERAL GROUPS SEEN STRUGGLING FOR CONTROL OF BA'LABAKK

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 395, 26 Nov-2 Dec 84 p 18

[Article by Juni Munir: "A Race For the City of the Sun Between the 'Sayyid's' Legitimacy and the 'Amir's' Radicalism"]

[Text] When Shaykh Sa'id Sha'ban, the "amir" of the Islamic Unification Movement, warned the Syrian nationalists that he would avenge the three "Hizballah" partisans who fell 2 weeks ago in the village of al-Bazzaliyah north of Ba'labakk, many people supposed that the shaykh's threat was just part of his daily orations, which remind us of those of his predecessor, Shaykh 'Abd-al-Hafiz Qasim, in the mosques of West Beirut. However, Sha'ban's Syrian-escorted visit to Beirut via the Biqa' raised more than one question about what he is doing and planning in the Biqa'.

The fact that Sha'ban passed near Ba'labakk, which some people have nicknamed "the capital of the Islamic state," without carrying out his threat points up the complicated nature of the events in the Biqa', especially the northern Biqa', which might set off further struggles. The so-called "Iranian Revolutionary Guard," which invaded the City of the Sun a long time ago and tried to impose its laws on an area known for its own customary laws and traditions, ran up against open, unequivocal rejection of its attempts on the part of many families who are clinging to their beliefs and insisting on living their own lives. Faced with this stand, the outlandish Iranians transformed themselves into the "Jundallah" and under their new guise tried to achieve what their predecessors had failed to achieve. Under their new mask, they began a campaign to put Ba'labakk's society back on the "straight path." In the course of this campaign, and in their war against leftist parties which they consider alien to Islam and the Muslims, the Jundallah met up with the Unification Movement and its amir. Not surprisingly, a clash occurred in al-Bazzaliyah. The casualties were all from the Jundallah, because this organization is a relative newcomer to military struggle, as opposed to the Syrian nationalists, who have combat experience and consider the northern Biqa' one of their strongholds.

The clash between the Jundallah and the nationalists was very nearly preceded by a larger and more violent clash between the Jundallah and the Communists, when the latter brought their brass bands to Ba'labakk for the celebrations

of the Communist Party's sixtieth anniversary. On that day, the Jundallah warned the Communists that they would not allow a Communist festival in Ba'labakk. However, Syrian forces stepped in to decide the matter, and provided the Communist Party with security for the festival, which attracted many young men and women who came, not out of love for the party, but to demonstrate their rejection of Jundallah practices and sectarian and religious fanaticism.

The relationship between the Jundallah and the Syrians has raised many questions over the past few months. On more than one occasion, the Syrian forces have clashed with the Jundallah and have expelled them from Ba'labakk, but the Jundallah quickly returned to the city to impose their doctrines and laws on the residents, from prohibiting alcoholic beverages to imposing the Iranian chador. The situation in Ba'labakk has not been resolved by the Syrians because within the Syrian leadership there is a powerful wing sympathetic to the Iranian stand and working in collusion with it, and this wing has restored the influence of the Jundallah and their allies. This explains why a large number of armed Iranian partisans were brought into the Biqa' and stationed at the Shaykh 'Abdallah barracks, under the pretext of bringing the situation under control. But does controlling the situation and around Ba'labakk require the introduction of more Iranians into the area, or would a clear-cut, political decision on the part of the Syrian command be enough to solve all the problems? The final questions are: Who is providing the Jundallah with weapons? How do the weapons reach them? Who is permitting Iranian shaykhs to teach the Qur'an to Christian students in the villages north of Ba'labakk?

In another context, the Biqa' has witnessed the first visit by a high-placed Lebanese official in 10 years. The receptions prepared by the people of the Biqa' for Council Leader Sayyid Husayn al-Husayni had two remarkable features.

The first was the triumphal arches, the butchering of lambs, and the huge popular receptions, which in many ways confirmed the existence of a new Shi'ite leadership as well as demonstrating a new trend within the sect, which is not opposing the government so far as to definitely rule out any cooperation. When some people objected to the huge picture of Iranian Leader Ayatollah Khomeini at the council leader's home, his supporters replied that al-Husayni is spiritually linked with Khomeini, not politically.

The second feature, which emerged during the receptions prepared for al-Husayni, was the devotion to legitimacy on the part of vast segments of the population, which many people had thought was no longer committed to legitimacy or to Lebanon. Most of the triumphal arches bore the Lebanese flag, a symbol which has been absent, or hidden, because of circumstances we cannot go into here.

Observers agree that al-Husayni's visit to the Biqa' had many implications, not just regional ones but ones affecting Lebanon as a whole. Like those who

have supported him in his struggle, he wants his activities to begin in an area close to Syria, one known until just recently for its rebellion against anything legitimate. Is this the beginning? Or will Shaykh Sha'ban touch off new conflicts in the Ba'labakk area as he carries on his battle against everything?

8559

GSO: 4404/127

NEW BUDGET REFLECTS GOVERNMENT DIFFERENCES OF OPINION

London AL-TADAMUN in Arabic No 83, 10 Nov 84 p 37

[Article by Ibrahim 'Awadah: "Strangest and Most Difficult General Budget; New Budget Squeezes Administrative Spending, Reduced Defense and Information Allocations and Does South Justice; Size of Budget Is 10.6 Billion Pounds and Expected Deficit Is 7 Billion Pounds"]

[Text] Beirut--After difficult labor lasting more than a month, the national unity cabinet approved the 1985 draft budget whose figures amount to 10.6 billion pounds compared to 12.1 billion pounds for the current budget of 1984, with an expected deficit of 3 billion pounds according to the government's estimates.

The new budget reflects clearly the sharp differences in opinion among the cabinet's political leaders over the budgets for the army, defense, the South and information. Agreement was reached on these budgets only after numerous and varied mediations from here and there and after the formation of subcommittees emanating from the cabinet to amend the main provisions included in the original budget plan. As a result, expenditures for the army, information, civil servants' salaries and bonuses, office rents, administrative expenditures and advisers' wages were reduced, in addition to reducing the expenditures for works and projects to be implemented in 1985. The outcome of the total reductions made in the draft budget figures amounted to 1.62 billion pounds, thus reducing the expected deficit to 2.675 billion pounds.

In a quick examination of the various sections of the new budget presented to the Chamber of Deputies for approval, we pause before important and fundamental points, the most significant being:

First, the sharp differences and the heated discussions that accompanied the various phases of agreement over the new draft budget reflect clearly the depth of the dispute over the general policy of the cabinet and of the regime and in the positions of the cabinet and regime leaders toward each other, especially insofar as the main political issues, such as the army, information and intelligence, are concerned. This proves that the state's general policy is still subject to sharp political conflicts and disputes between today's ministers and yesterday's war leaders.

Second, the new budget reflects a fundamental and important change in the defense policy, noting that the army budget has been reduced considerably when compared with the allocations made in the 1984 budget to bolster defense capabilities. The reduction in the defense budget reflects clearly the continued disagreement between the national unity cabinet leaders over the country's military structure and over the past, present and future role of the army.

Third, the new budget reflects the government's desire to adopt a policy of compressing the spending so as to curtail the estimated budget deficit as much as possible. Thus, the cabinet has made a considerable reduction in appropriations for administrative affairs (civil servants' salaries and bonuses, office rent and advisers' recompenses), with this reduction amounting to 144 million Lebanese pounds.

Fourth, the new draft budget entrenches the policy of compressing the developmental, social and essential expenditures. Provision (A) of these expenditures, which pertains to expenditures on works and projects scheduled to be completed in 1985, has been reduced by 341 million pounds. It seems that this reduction came about as a result of taking into consideration the current and expected political and security conditions which do not permit the implementation of new construction and development projects in the coming year. This means that it is expected that the economic stagnation crisis from which the various Lebanese economic sectors have been suffering since the onset of 1983 will continue.

Fifth, the high figure of 10.6 million pounds in this budget is more of an estimate than a practical figure, especially in terms of the expected deficit. It is expected that this deficit will exceed the government estimates to reach more than 7 billion pounds, not the 2.675 billion pounds estimated by the government. This deficit is expected to grow bigger as a result of the constant decline in the treasury's revenues and income from customs fees, taxes and other sources due to the continued presence and prosperity of the illegal ports at the expense of the legal ports. These illegal ports deprive the treasury of nearly 3 billion pounds a year.

Sixth, the new budget reflects the political weight enjoyed by Nabih Barri, the minister of state for southern affairs and reconstruction and the chairman of Amal Movement. This weight is reflected in the cabinet's agreement to increase the appropriations for the Southern Council by 300 million pounds, in the appropriation of 30 million pounds for the Ministry of State for Southern Affairs and in opening a credit of 100 million pounds in the draft budget for the State Security Agency which was set up recently at the request of Minister Barri.

In concluding this economic-political analysis of the new draft budget, we must note two fundamental points: the first is embodied in the figures of the new budget in the sense that achieving the expenditures or revenues noted in this budget continues to depend on developments in political and security conditions, meaning that the revenues, which the government estimates at 8.117 billion pounds in fees, taxes and customs, will remain below the level set for them unless rapid and fundamental changes occur at the political, security and economic levels, considering that the revenues collected to date do not exceed 400 million pounds.

The second, and more important, point is embodied in this sharp "politicization" which has left its clear imprint on every part of the new budget. This is something unknown in the previous general budgets. Moreover, the budget's plans for big expenditures without the presence of certain state revenues that enable the state to establish the needed balance or, at least, not to exceed the limit of the expected deficit is something that evokes fear and is likely to contribute to further deterioration in the country's financial and economic position, especially since the current economic indicators and those expected in the foreseeable future are not encouraging.

8494

CSO: 4404/110

EFFORTS TO BOLSTER LEBANESE POUND, STEM SPECULATION EXAMINED

London AL-TADAMUN in Arabic No 81, 27 Oct 84 p 32

[Article by Ibrahim 'Awadah: "Confrontation Between Government and 'Dollar Mafia' Has Begun; Currency and Legal Measures To Stem Pound's Decline"]

[Text] The Lebanese government has, through its currency and judicial authorities, embarked on an open confrontation against the banks, speculation offices and financiers engaged in speculation against the national currency and the national economy, because the Lebanese pound registered its lowest price against the U.S. dollar (8.6 pounds per dollar) at the beginning of October. This is an unprecedented figure in Lebanon's history.

The confrontation between the government and the speculators is embodied in the judicial and currency authorities' adoption of strict measures to curb the greatly inflated dollar price in the Beirut market, to put an end to the speculation and to pursue those responsible for these acts of speculation legally, especially since the speculators have become known to more than one authority. On the other hand, the speculators, who have been manipulating for months and who continue to manipulate the price of the national currency, the national economy and the livelihood of the Lebanese people with limited and middle incomes by pricing the dollar as they wish, have confronted the measures of the currency and judicial authorities through the centers of political and non-political influence who protect their suspect activities. Consequently, they have become involved in an open confrontation with the Lebanese government. The outcome of this confrontation will be clear in the next few weeks.

On 1 October 1984, the U.S. dollar snatched the hearts of the Lebanese and held them breathless when its price exceeded 8 pounds per dollar for the first time in Lebanon's history, recording an increase of 73 piasters or 10.04 percent in comparison with its closing price at the end of last September (29 September). This is a price increase hardly ever experienced by any currency within such a short time. In the face of this evident collapse in the price of the national currency and to contain the harmful consequences of this collapse at the economic and living levels, the government moved quickly to check this imminent danger. On the morning of 2 October 1984, President Amin al-Jumayyil summoned Dr Salim al-Huss, the acting prime minister and minister of labor; Joseph al-Hasim, the acting minister of finance and minister

of health; Michel Al-Khuri, the governor of the Bank of Lebanon; Habib Abu Saqr, the acting general director of the Ministry of Finance; Sami Marun, the chairman of the National Council for Foreign Economic Relations; Engineer Malik Salam, the chairman of the Development and Construction Board; and the leaders of the Association of Lebanese Banks and discussed with them the causes for the rise in the dollar and the collapse in the Lebanese pound, instructing them to exert quick efforts to set matters aright in the wake of the enormous panic prevailing in the currency market and among the citizens on that day.

As a result of the discussions and opinions expressed at the meeting--nearly all of which stressed the role of the Lebanese pound and in which Acting Prime Minister Dr Salim al-Huss pointed out that there are fundamental reasons that have acted and continue to act against the Lebanese pound, including the general budget deficit and the growing public debt internally, in addition, of course, to the international causes that bolster the dollar--it was decided to adopt a number of currency and legal measures to revive the pound's price and to curb the dollar price by paralyzing the speculation activities. The most important of these measures is the decision to reduce the currency centers in the banks from 50 percent (as stipulated by Directive No 297 of 12 May 1981) to 15 percent and the decision demanding that the banks supply the Bank of Lebanon with daily data on currency activity and those engaged in it (the disclosure of such activity used to be made monthly), in addition to the decision stressing that non-resident banks must not make loans in Lebanese currency and the decision increasing the obligatory reserve required of the banks in Lebanese pounds from 15 percent to 17 percent.

At the judicial level, the judicial authorities have been asked to reopen the dossier of investigation of the speculation against the pound in order to expose those responsible for this activity and to prosecute them for the crime of illicit "trading" and of exposing the country's economic security to danger.

In fact, the judicial authorities moved on the same day, i.e., 2 October 1984, and summoned a number of officials of the Bank of Lebanon, of bank owners and of owners of speculative offices to hear their statements. Among those included in the investigation this time were Dr Walid Naja, the chairman of the Banking Control Committee, and Robert Yazbak, the director of currency transactions at the Bank of Lebanon. There have also been leaks to the effect that the judicial investigation will include well-known bankers, such as Joe Kayruz, the chairman of the Board of Directors of the Popular Credit Bank; Antoine Shad, the chairman of the Lebanese Banks Association and chairman of the Board of directors of the Capital Trust Bank; Joe Sardar, the chairman of the Board of Directors of Sardar Bank, and others in charge of banks and speculative offices whose names are mentioned in the context of the speculation activities.

High-level government sources have assured AL-TADAMUN that President Amin al-Jumayyil is clearly disturbed by the speculation activities that have taken place and continue to take place in the Beirut market, that he is determined to continue the investigation process until the speculators are exposed and the stiffest punishments meted out to them and that the president has given the judicial authorities clear instructions to this effect.

In the face of the strict currency and judicial measures adopted by the regime to bolster the Lebanese pound and to curb the speculative activity, the speculators have moved in an opposite direction to limit the effectiveness of these measures and to avoid losses. On the same day on which the new currency measures were announced, the speculators succeeded in preventing the conclusion of transactions abroad for conversion to Lebanese pounds in order to control the dollar [price] and prevent its decline. It has been reiterated in this regard that the speculators were behind the outages in the telephone and telex lines and the communication lines on which monitoring screens operate and that those outages prevented people in high financial positions abroad from converting the major part of these currency holdings to Lebanese pounds. The new measures have thus seemed to have a weak and limited effect in bolstering the pound and curbing the speculation, considering that the dollar continued to be strong on the day following announcement of the measures, declining by no more than 12 piasters. Dr Salim al-Huss, the acting prime minister and minister of labor, instructed that an immediate investigation be made on the outage in international communications between Lebanon and the outside world--an outage that is said to have resulted from a flaw developing in the international communications cable at the telephone center in Riyad al-Sulh Square--to find out the real causes behind this flaw and the role of the dollar "mafia" in its occurrence for the purpose of obstructing the effect of the measures adopted by the Bank of Lebanon. The results of the initial investigation, announced on 4 October 1984, have come to confirm that the flaw resulted from several power outages during the night, thus causing the batteries to die. The examination conducted has shown that there is no damage in the wiring or in the equipment. The outcome of the investigation has been referred to Kamil Ja'ja', the attorney general. A copy has also been sent to Dr Salim al-Huss, the acting prime minister.

While waiting for the course of the confrontation between the regime and the dollar mafia to become clear on the one hand and for the seriousness of the regime in pursuing the speculators to become clear on the other hand, it should be pointed out that the regime must not rely on the currency measures taken by the Bank of Lebanon to protect the pound to have decisive and lasting results, despite the points these measures contain.

8494

CSO: 4404/98

HISTORY OF ILLEGAL PORTS REVIEWED

London AL-TADAMUN in Arabic No 81, 27 Oct 84 pp 43-46

[Article: "Each Militia Has Its Port and the State Is Looking for Its Sea"]

[Text] An important and influential dossier has surfaced, among the political, security and economic dossiers which the 10-member cabinet or "national unity cabinet" has begun to discuss in its cabinet retreats. This is the situation of the illegal ports, or the free ports as they are called in Lebanon.

The importance of this dossier is embodied in the numerous aspects or characteristics that distinguish it from the other currently projected issues. It combines most aspects of the Lebanese crisis, including the political, security and economic aspects. Therefore, this dossier sums up one of the ugliest reflections of the Lebanese crisis--a reflection offering clear proof of the decline in the state's influence and authority and of the strength of the armed militias and political forces that are influential in the Lebanese arena. It also offers a tragic and black reflection of the illicit and constant economic drain of the revenues of the State of Lebanon.

In view of the importance of this issue and of its political, security and economic impact on the Lebanese situation, AL-TADAMUN has decided to open the dossier and to shed light on all its elements, beginning with the causes that contributed to the spread of this phenomenon and with those persons who are currently in charge of these ports and who are called the "kings of the sea" and ending with the economic, political and security consequences of this phenomenon.

Beirut, Gate to Mediterranean Sea

Until the eve of the Lebanon war in the spring of 1975, Lebanon had not experienced the phenomenon of illegal ports because the state controlled the entire Lebanese coastline from the north to the southernmost part at al-Naqurah. The Lebanese ports in operation were Beirut, Tripoli, Juniyah, Sidon and Tyre ports. They were controlled by the state and subject to the strict and effective supervision of the public security, customs and army elements.

Consequently, the traffic in these ports was active and distinguished. This activity made Beirut port one of the most important of the area's ports by virtue of the extraordinary traffic it experienced throughout the year and this port came to be known as the "gate to the Mediterranean sea," a name which it truly deserved. Moreover, the work proceeded remarkably well in Tripoli, Sidon, Tyre and Juniyah ports, thus contributing directly and effectively to boosting the economic situation, especially at the commercial level, and to securing vast and constant revenues for the state by way of the customs fees which were collected by the ports for the benefit of the treasury. Those fees are estimated at 3-3.5 billion Lebanese pounds a year, i.e., three-fourths of the state's annual budget.

Moreover, these ports contributed greatly to dealing with numerous aspects of the Lebanese social crisis. They provided employment to more than 100,000 Lebanese workers (port workers and workers in maritime, insurance and shipping firms).

Ports and 2-year War

The bright picture of the Lebanese ports continued to be evident and tangible until the start of the Lebanese events. With the cycles of violence which continued until the outset of 1977, Beirut port, the most important Lebanese port, was forced to shut down for a long period, with prolonged military operations taking place around it and within its vicinity. The port installations sustained direct damage and ships abandoned it for fear of the shelling, thus causing the port to lose its activity and vitality. The absence of contact between the Lebanese provinces and among the Lebanese themselves during the 2-year war led to a diminishing of the role of the other legal ports in the north, Tripoli and Juniyah, and in the south, Sidon and Tyre, which fell to the control of some armed militias because of the absence of the state, thus denying the state a large part of its normal revenues, embodied in customs fees, and intensifying the problems of the treasury and of the national economy. Moreover, some Lebanese coastal areas witnessed the phenomenon of the construction of small seaports by a number of armed militias. The militias used these ports to secure weapons after it became impossible for them to get such supplies through Beirut International Airport either because it was closed or because it fell beyond the control of these militias.

With Lebanon's entry into the first phase of peace in 1977 on the morrow of the election of ex-President Ilyas Sarkis as Successor to ex-President Sulayman Franjiyah and with the entry of the Arab Deterrence Forces into Lebanon, the state regained its control over the ports and these ports again experienced energetic and active traffic which restored to the state its plundered financial revenues. But the stable security on which the Lebanese had wagered did not last long and the cycles of violence which erupted from time to time, such as those which erupted in the summer of 1978 and in 1980, took the country back to the climate of violent domestic infighting. The militias resumed their activity and began to establish their control over the government's centers of control, including the legal ports, such as the Fifth Basin of Beirut port, Juniyah port and Tyre port. The militias then began to destroy these ports for purely political and logistical reasons. With

the continued loss of security, with the decline of the legitimate authority embodied in the State of Lebanon, with this authority's loss of vast areas to the control of the armed militias, with the re-emergence of the contact lines between Beirut's people, with the severance of contact between the various parts of Lebanon and with the difficulty of getting to Beirut port and Beirut International Airport due to political and security reasons, some started thinking seriously of establishing free ports to replace the legal ports. Some militias permitted themselves free use of the Lebanese coastline and opened their own ports to receive the weapons delivered to them by more than one side. The Phalanges Party set up the Aquamarina and then seized unofficial control of Juniyah port. On the other hand, the Palestinians seized control of Sidon and Tyre ports in the south. With the continued loss of security, with the absence of the government's role, with the total stopping of operations in Beirut port and airport and with the intensified shelling and counter shelling of Beirut, the capital, some started thinking of setting up free ports and of exploiting them commercially, shipping and receiving goods and insuring the departure of those running away from the inferno of the Lebanese war.

Phenomenon of Spread of Free Ports

Thus, at the outset of 1981, illegal ports spread all along the Lebanese coastline and the armed militias and organizations tightened their grip on the state's legal ports. The Fifth Basin and Juniyah port fell in the hands of the Lebanese Forces, Sidon and Tyre ports fell in the hand of the Palestinian forces and a number of armed parties in Tripoli tried to bolster their control over the city's official port.

Moreover, some militias resorted to building new ports. Thus, Dubayyah port (in East Beirut) and the Aquamarina port (on al-Mu'amalatayn coastline near the town of Juniyah) were built and engaged in free-trade operations, receiving ships carrying various goods and collecting customs fees for their own benefit after reducing these fees to rates lower than those paid at the official ports so as to attract merchants. This constituted the beginning of the end of the legal ports and the start of the era of the illegal ports.

The wave of illegal ports engaging in trade continued to flourish and to be organized at the start of and during the Israeli invasion of Lebanon in the summer of 1982 to the point where every local militia came to have its own port. Even the invading Israeli forces, after entrenching their occupation of South Lebanon, participated in the illegal-port trade either directly or through middlemen, as is the case currently in Sidon and Tyre ports in South Lebanon.

In a short period, more than 20 illegal ports sprouted all along the Lebanese coastline from the northernmost to the southernmost parts. The legal ports have, in turn, been transformed into illegal ports, except for the remaining symbolic presence of the state in Beirut and Tripoli ports.

Upon assuming the presidency in September 1982, Amin al-Jumayyil issued a decree closing all the illegal ports as of March 1983. Some of these ports,

especially the commercial ones, actually stopped their operations. But this phase did not last long because of the renewed acts of violence and of the state's renewed loss of many of its positions of influence and power. The mountain war erupted in the summer of 1983 and the Beirut suburb war in February 1984. These wars renewed the opportunity for the illegal port to resume their operations in an active and concerted manner, thus causing Beirut port to lose its commercial role and its international reputation. During the past period of 1984 (until the end of September), this port's activity suffered a major setback, with activity dropping 75 percent in comparison with the activity in 1975. The state's revenues from the customs fees collected in the various ports have declined sharply, amounting to no more than 400 million pounds by the end of the 9th month of this year. Moreover, it is not expected that these revenues will exceed 600 million pounds by the end of the year whereas this figure amounted to 2.5-3 billion Lebanese pounds in 1975.

After this review of the causes and circumstances of the emergence of the illegal ports, we come to a discussion on these ports and the political and partisan forces operating them and which are called the "kings of the sea." Of these ports, we will select the most prominent:

1. Al-Minyah port: this port is located in North Lebanon. It engages in various commercial activities and is managed by a number of northern merchants who are protected by private and independent armed groups.
2. Port Sa'id is located in Tripoli, the capital of the north, and which is a commercial port subject to the influence and control of the Islamic Unification Movement.
3. The Aquamarina port is close to al-Mu'amalatayn area which is adjacent to the town of Juniyah. This port was established originally for military purposes. But with the passage of time, it also turned to commercial activity. This port is controlled by the Lebanese Forces of the Lebanese Front.
4. Dubayyah port is a commercial port whose control is divided between the Lebanese Phalanges and the National Liberals.
5. The Fifth Basin in Beirut Port is basically designated to receive containers. The Lebanese Forces have seized control of this basin and have been operating it for their benefit for a period of time.
6. Al-Jiyah port is subject to the control of the Lebanese Forces whose activity is confined to insuring the transportation of the Phalangist fighters from and to the north. It is also used for purely military supply purposes. Moreover, the ports of Sidon and Tyre in South Lebanon can also be considered illegal ports due to the absence of government control and to their being controlled by the Israeli occupier who has permitted those collaborating with him to manage these ports, such as the Army of South Lebanon--Sa'd Haddad's forces previously and Antoine Lahd's forces currently--the supporters of Deputy Kazim al-Khalil and a number of other Shi-ite militias opposed to Amal and led by people collaborating with the occupation forces.

We must finally point out the negative effects at the Lebanese political, security and economic levels of the spread of the illegal ports. In this respect, we can record the following: 000000 000000

First, at the political level:

The spread of the illegal ports has bolstered the control of the militias fighting in Lebanon in the areas where these ports exist, has established political and geographic partition between the Lebanese provinces and has contributed directly to the disappearance of state control over large parts of the Lebanese territory. The solution to this problem is now tied to solving the Lebanese political problem in its entirety. Those who control the ports in the Phalangist area of influence, for example, refuse to shut down these ports and hand them over to the state on the pretext that there are others who control other ports in the south or the north which cannot be reached by the state. The opposite is also true.

Second, at the security level:

The spread of this phenomenon has bolstered the strength of the armed militias and has given them the ability to continue fighting because these ports have contributed and continue to contribute to securing large financial revenues to the militias which share control over the illegal ports, thus making it possible for these militias to purchase weapons and to pay the salaries of their fighters and supporters. Moreover, the areas in which these ports exist have come to constitute red danger lines and a source of daily concern for security.

Third, at the economic level:

This phenomenon has contributed in an obvious manner to plundering the treasury's revenues from customs fees--nearly 2.5 billion pounds a year--thus intensifying the deficit in the general budget and the introduction of damaged goods and materials to the Lebanese markets. Add to this the fact that the spread of the illegal ports has wiped out the role of the legal ports and has created a stifling social crisis embodied in the loss of work for more than 25,000 Lebanese families who used to work in the legal ports and who can find no work at present because of the decline of activity in the legal ports and because of the inability of the new ports to absorb these families. This is in addition to purely security reasons.

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CSO: 4404/98

BANK EMPLOYMENT STATISTICS DETAILED

Beirut AL-NAHAR in Arabic 10 Sep 84 p 7

[Article by Antoine 'Ubayd, assistant secretary general of the Society of Lebanese Banks]

[Text] The Lebanese banking sector continues to progress, despite the decline that has stricken most economic activity during the past 10 years. The sector attracted 908 new employees in 1983, raising the total number of employees in this sector at the end of the year to 13,324, compared with 12,366 employees at the end of the previous year. The sector, then, registered an annual increase of 7.7 percent.

In addition, salaries and other compensation paid by banks to their employees or credited to their accounts during 1983 totaled 910,650,000 Lebanese pounds, compared with 735,560,000 pounds during the previous year. This marks an annual increase of more than 175,000,000 pounds and a growth rate of 19.2 percent.

The fact is that the growth in this sector, which has continued despite the numerous negative factors affecting the country, is the reason why analysts consider this sector the "vital" element that has been able to bolster the sagging economy. Moreover, the importance of the unique role played by the banking sector in the economy has been strengthened.

Nonetheless, it was inevitable that banking activities, for one reason or another, be affected by the state of instability that prevails in the country and the turmoil that has occurred in recent years. The uncertain periods witnessed by the country, although at times interspersed with ceasefires, have reflected negatively on these banking activities, seriously impeding their growth.

Therefore, recent years have experienced a clear percentage decrease in the growth of the banking workforce. This growth declined from 10.7 percent in 1980 to 8.9 percent in 1981, 8.1 percent in 1982 and 7.7 percent in 1983.

The decline registered for 1983 is explained in particular by the mountain fighting which broke out during the second half of the year and had terrible repercussions throughout the entire country.

First--Bank Employee Distribution

Important developments were noted in the distribution of bank employees as broken down by sex, age, family status, rank occupied in the banking organization, and banking group that the employee belongs to:

1) Sex. A unique characteristic had been clear in our reports, namely that the banking workforce was gradually becoming female, especially over the past 10 years. In 1973, female employees represented 23 percent of all bank employees and today they represent 34 percent of this total. If we count back a few years to 1966, we notice that there were 772 female employees out of a total of 4,776, or only 16 percent of the total.

Bank offices that use new employees note that the number of applications from women currently equals--in fact at times surpasses--the number of applications from men. Actual employment, however, marks a slight advantage for men. In the past 4 years, the banking sector has attracted 2,077 new male employees compared with 1,753 new female employees.

This increasing interest in joining the workforce, in the past almost entirely restricted to men and currently shown by women, is not limited only to the banking sector. It also extends to many other fields, especially the service sectors which were, by the way, harmed less by the decline that has characterized economic activity during the prolonged period of war experienced by the country. Women, who today enjoy a higher level of education than in the past and who are freed from some of the household duties which have become less time consuming for women and many of which have become mechanized, are turning more and more to salaried work. In addition to these factors which have encouraged the Lebanese woman to seek work outside the house is the factor of inflation, which has been rising in recent years and has eroded the purchasing power of the household head's salary.

2) Age. We can divide bank employees into three age groups: those who are under 25 years old, those who are between 25 and 40 years old, and those who are over 40 years old.

The third group, that is, those who are the oldest, represent more than 26 percent of the total workforce. The percentage of this group has increased noticeably over the years. They represented no more than 21 percent in 1973 and only 16 percent in 1966. This group includes the most experienced employees in the various banking operations and there is strong representation of this group on bank managing boards, which rely on this group to ensure sound management of operations and to provide good preparation to the younger generations.

On the other side of the age coin, we find that the percentage of those who are under 25 is moving lower to the point that it is now approaching 22 percent of the total workforce, whereas it was nearly 26 percent 10 years ago. This group reached its lowest percentage, that is, 19 percent,

in 1978. This was due to the cutback in hiring activity at that time. Then the proportion improved when the workforce was invigorated by the establishment of new banks and the construction of new bank branches.

That leaves the middle age group, that is, the group between 25 and 40 years old which has always represented the largest proportion. It currently represents about 52 percent of the total bank workforce. During the 1970s, the proportion of this group was higher. It ranged between 53 and 57 percent. This is the group whose members have finally chosen the course of their professional careers and who ensure stability and steadiness to the banking sector.

3) Rank. Out of 13,324 bank employees, there are 1,310 employees who comprise the management cadre. This means that, on the average, there is one manager for each group of ten employees.

This proportion, however, was different in the past. Ten years ago the proportion was one to eight, and 5 years ago it was one to seven. This relative shrinking of the number of managers indicates the strength of the organization of bank management cadres. This also is a result of the spread of the use of information systems in this sector, something which has naturally facilitated the supervisory mission of managers.

4) Bank Groups. Of the banking sector workforce, 87 percent, or 11,544 employees work for Lebanese banks that were formed as "Lebanese joint-stock corporations." The remaining 13 percent, or 1,870 employees, make up the workforce in foreign banks.

Foreign banks 10 years ago held a much larger share of the total workforce--nearly 24 percent. Going back a few more years to 1968, we notice that their share was 33 percent.

This phenomenon is undoubtedly an indication that the growth witnessed by the banks in the past 5 years has favored the Lebanese banks. These Lebanese banks can be divided into banks the majority of whose shares are Lebanese-controlled and banks the majority of whose shares are foreign-controlled. The former of these two groups is the one that has witnessed the greater growth. In 1983 it attracted 61 percent of all new employees in comparison with 38 percent 10 years ago. The latter group, however, has experienced something of a decline, but it has been less severe than the decline registered by the foreign banks where the percentage of employees has dropped from 38 percent in 1973 to 26 percent in 1983.

Second--Bank Employee Salaries

In 1983 salaries and various benefits paid by the banks to their employees plus amounts credited to their accounts totaled 910,650,000 Lebanese pounds compared with 735,560,000 pounds the previous year. This marked an annual increase of 175,900,000 pounds, or 19.2 percent.

These payments are broken down as follows:

--Salaries including cost of living allowances: 636,280,000 pounds.

--Family allowances and all remaining types of social compensation: 120,760,000 pounds.

--Completion of service bonuses: 153,610,000 pounds.

There is no doubt that the increase in expenditures allocated to bank employees year after year is very large. The amount of these expenditures has multiplied by nearly ten times in 10 years: 910,650,000 pounds in 1983 compared with 91,540,000 pounds in 1973. Yet the number of employees has not even doubled in the same period: 13,324 employees in 1983 compared with 7,157 employees in 1973.

This increase, although it seems extreme, has its justifications, which we find in the following primary factors:

--Inflation rates in Lebanon, especially since 1970, have seen significant increases, which has led to annual modifications in salaries. The state minimum salary went from 166 pounds in 1970 to 1,100 pounds in 1983.

--The banks grant their employees scheduled salary increases set at 5 percent annually of their total salaries.

--There has been a gradual increase on the social benefits granted to employees, especially through improvement of the conditions of the collective labor contract which is renegotiated every 2 years between the Society of Lebanese Banks and the Federation of Bank Servant Unions. Let me point out here by way of example that the "transportation compensation," which was recently enacted as a part of this contract, cost the banks about 32 million pounds in 1983.

--The rapid rise in salaries is also attributable to the increase in the amounts the banks put aside annually for their employees and which is allocated for end of service bonuses.

It would be useful here to cite the average annual income of the employee working in the banking sector. In 1983, this amount was 68,236 Lebanese pounds. This amount actually represents the "total cost" of the employee. That is, it includes the end of service bonus. All totaled, these bonuses have increased throughout the year to 153,610,000 pounds, an amount that will not necessarily be paid to employees for a long time. If we subtract the value of these bonuses, the actual average income of the employee is 56,817 pounds, or 4,734 pounds per month.

A year earlier, in 1982, the "cumulative" [including the bonus] average annual income of the employee was 60,000 pounds. His actual average annual salary was 48,500 pounds, and his average monthly salary was 4,000 pounds.

Finally, we notice that in comparison with the minimum wage set by the state in 1983 at 1,100 per month and with the salaries paid in the remaining sectors of the economy, the work conditions in our banking sector are among the best in Lebanon.

12608

CSO: 4404/73

TRIPOLI REFINERY ASSOCIATION REBUTS CALL TO CLOSE REFINERY

Beirut AL-NIDA' in Arabic 16 Sep 84 p 4

[Text] The Tripoli Refinery Association has issued a statement of clarification in which it has responded to the call to replace locally refined oil with imported oil from refineries around the Mediterranean. This was a call issued by Marwan Iskandar in an article that appeared early last week in one of the local newspapers.

The association's statement of clarification contained a number of points, as a result of which it concludes with certainty that Mr Iskandar's call is devoid of sound premises, both economic and practical. In addition, it relies on jumbled numbers and totals without reference to their sources.

The association presents proof that the price of locally refined oil is much lower than that of imported oil. It points out the following:

The daily capacity of the fractionation department is 1,200 tons of fuel. From this amount we derive: $1,200 \times 0.6 = 720$ tons of benzene, and $1,200 \times 0.14 = 168$ tons of gas. If the cost of 1 ton of fuel is \$180, then the cost of daily consumption is: $1,200 \times \$180 = \$216,000$.

If the value of 1 ton of benzene is \$280, then the value of the daily production of this material is: $\$280 \times 720 = \$201,600$.

The price of 1 ton of gas is \$340, and the total value [of daily production] is: $168 \times \$340 = \$57,120$.

Therefore, the value of the benzene and gas produced daily is: $\$201,600 + \$57,120 = \$258,720$.

If we take into account the price of the fuel treated daily in this unit, the daily return (from these two products alone) is: $\$258,720 - \$216,000 = \$42,720$.

If we take into account the price of the fuel treated daily in this unit, the daily return (from these two products alone) is: $\$258,720 - \$216,000 = \$42,720$.

If we add the value of the material remaining after the fractionation process, which amounts to: $252 \times 158 = \$39,564$, then the daily revenues from the operations of this unit are \$82,280.

If the daily operating costs are about \$2,280, then the pure returns are \$80,000 per day, or the equivalent of 600,000 Lebanese pounds per day.

The association's statement concludes by responding to the call to close down the refinery by saying that this call, aside from the fact that it ignores the daily loss [of revenue], ignores the fate and livelihood of hundreds of employees who work daily [at the refinery] and who would become unemployed.

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CSO: 4404/73

BRIEFS

TRIPOLI EXPORT FIGURES--The Chamber of Commerce and Industry in Tripoli has issued its statistical publication of exports from the north for the months of June and July. The publication shows a decline in exports for the 2 months in comparison with June and July of 1983 and in comparison with the month of May. The value of exports as confirmed by receipts available to the Chamber of Commerce and Industry in Tripoli for the month of June was 28,277,836 Lebanese pounds. This included 14,681,681 pounds worth of goods of Lebanese origin, or 52 percent of the export total. In comparison with the value of exports for the month of May, exports for June registered a decline of 74.6 percent. In comparison with the value of exports for the month of June 1983, there was a decline of 54.27 percent. Syria was ranked first among countries importing from Lebanon and the north, followed by Jordan, Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. Building materials including cement, lime, gypsum and marble blocks were the primary export products, followed by lumber and foodstuffs. The value of exports for the month of July totaled 18,425,379 Lebanese pounds, including goods of Lebanese origin totaling 13,294,770 pounds, or 72.15 percent of the total. In comparison with the value of exports for May, July exports registered a decline of 53.2 percent, and in comparison with July 1983, there was a decline of 76.59 percent. Syria was ranked first, followed by Saudi Arabia, Italy, Jordan, Kuwait, Iraq, the United Arab Emirates, Australia and the Sultanate of Oman. Construction materials were the primary export product, followed by cured leather, foodstuffs and fruit. [Text] [Beirut AL-NIDA' in Arabic 15 Sep 84 p 5] 12608

BUDGET DEFICIT FIGURES--The actual deficit in the Lebanese general budget for the current year amounted to 3.5 billion Lebanese pounds by the end of the third quarter of this year, with this deficit thus amounting to an average of 400 million pounds a month. However, this deficit does not include the state's withdrawals from the currency profits of the Bank of Lebanon--profits which have reached relatively high figures. [Text] [Paris AL-MUSTAQBAL in Arabic No 403, 10 Nov 84 p 44] 8494

CSO: 4404/110

DISSIDENT FATAH LEADER VIEWS PLO POSITION

PM221446 Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 17-22 Dec 84

[Interview with Sahim Abu Kuwayk, alias Abu Qadri, secretary of the "Uprising in Fatah Movement," by Wadi' al-Hilu in Damascus; date not given]

[Excerpts] Question: During King Husayn's visit to Cairo there was talk about a Jordanian-Egyptian plan to reactivate the peace initiative in the Middle East. Current reports say that Abu 'Ammar [Yasir 'Arafat] supports such solution. Does this not, in your view, mean that a plan for a peaceful settlement in the area is underway?

Answer: We have information that there is a U.S.-Israeli initiative in the area and that there will be a Jordanian-Egyptian response to it at the highest levels. We also know that Yasir 'Arafat is aware of this initiative, but initiatives are one thing and what the Israeli enemy is ready to offer is something else. On the other hand, what is happening so far is that those who want to involve the PLO in the settlement do not want a PLO that represents all the Palestinian people and is the sole legitimate representative of the Palestinian people. Rather they want a particular part of it, which we believe is the sick part of the Palestinian revolution and the PLO, the part that has gotten tired of struggle and is ready to deviate. This is what they want. Otherwise what does Yasir 'Arafat's holding of his council in defiance of everybody mean?

Question: It is observed that the convening of the PNC in Amman has caused a real rift within the PLO. Don't you think that the political crisis that has occurred, the most important aspect of which was the convening of the PNC in Amman, will result in an inter-Palestinian popular crisis, that is the occurrence of a real Palestinian rift?

Answer: Not that it will occur; it has already occurred. It occurred before and during the so-called PNC meeting in Amman. Eventually this rift will widen. Despite the seriousness of what happened, we believe that this is a thousand times more honorable than having a united PLO walking behind 'Arafat to Camp David. There is no doubt that such a rift is hard and painful and threatens the Palestinian cause, but if 'Arafat remains at the head of a PLO which deals with Camp David, the Reagan initiative, and other U.S. plans this danger becomes a hundred times more serious.

Question: In other words the national alliance or the uprising movement within Fatah has chosen its option and taken its decision in the light of the situation it was facing.

Answer: First of all we opted for this course the day we staged the uprising. As a Fatah Central Committee member I was familiar with the details of what was happening on the 'Arafat front. Suffice it to point out that 'Arafat decided to join the camp hostile to Syria and the Soviet Union when he openly said at the Central Committee meeting on 31 May 1982 during the discussion of relations with Syria that "serious events are going to take place." He made this statement 6 days before the Israeli invasion of Lebanon. He said that "serious events will take place which will lead to changes in the political map and in the alliances. You must decide which axis you want to join." He then made it clear that he would have nothing to do with the Syrian axis. Therefore it is evident that he had decided on the question of moving to a camp hostile to Syria and the Soviet Union before the invasion. Following the departure from Beirut things developed terrifyingly fast. First Yasir 'Arafat agreed with Philip Habib on dispersing our forces. The dispersion of forces has serious implications. First it meant that he ['Arafat] would leave all Lebanon and not just Beirut, as become evident later. Secondly, by dispersing the forces it means that he has ended everything called armed struggle. Thirdly, he followed this with steps with grave consequences. The dialogue with Egypt then represented a grave tilt toward Camp David. The dialogue with Jordan meant a strong inclination toward Reagan's plan, which denies Palestinian rights in view of the proposed autonomous administration linked to Jordan.

Question: 'Arafat has said what he is going to do. What have you decided to do?

Answer: Yasir 'Arafat has committed all these violations but in the end he will remain the only one presuming to lead the PLO in the manner he wants. Before the public he is the PLO leader, and many people will deal with him in this capacity. For this reason our response will be not to allow 'Arafat to assume this function, and therefore we must contest his representation of the Palestinian cause and the Palestinian people. The truth is that the possible responses here are limited. Of course many believe that the answer is to create a substitute PLO. A substitute PLO? This would undermine the morale of our people because it can be said that our people so far have gained nothing worth mentioning except the creation of the PLO which has projected its identity and entity. We say that the PLO is ours and that 'Arafat has deviated from it. His position is illegitimate and must be confronted by all means. This Palestinian leadership must be strengthened by the creation of a broad national front comprising Palestinian nationalist personalities and representatives of popular organizations and trade unions who have the right to participate in the leadership. It is then that we will be able to say that we are the body that actually represents the Palestinian people, because 'Arafat does not represent the PLO or the Palestinian people. The PLO is a broad front that represents the Palestinian people. 'Arafat now does not represent this organization. What he has with him is the sick part of Fatah and some people in Jordan and the occupied territories who have

vested interest in U.S. solutions. On this basis we say that we are the multilateral PLO that represents all the Palestinian people. We in Fatah represent the real Fatah. Fatah is not individuals but principles, objectives, and methods which we have adopted. We are committed to principles, objectives, and methods, but 'Arafat is not. 'Arafat represents anything but Fatah. We have the right to reply to 'Arafat because it is Fatah that rejects what he is doing.

Question: At the PNC in Amman some people announced the death of the Palestinian armed struggle. What is the attitude of the uprising [within Fatah] and the National Alliance toward this announcement? Is there room for Palestinian armed struggle or is the coming stage the stage of the olive branch?

Answer: In fact those who announced the death of the armed struggle at 'Arafat's PNC were actually expressing 'Arafat's views on the future of Palestinian armed struggle.

We are concerned with escalating the armed struggle inside and outside the occupied territories. Maybe so far we have not escalated enough. but I would like to point out here to several successive operations which were carried out and to which the Israeli reaction was to shell our positions. The most recent of these incidents took place 3 days ago, when our positions were shelled in response to our shelling of the settlement of Metulla in Galilee. This means that Israel's peace for Galilee operation is threatened in its entirety. This is particularly true due to the failure of the three objectives of the invasion, namely expelling the Palestinians, ousting the Syrians, and forming a strong central government in Lebanon. This is in addition to the fall of the 17 May agreement. Which means that all the invasion objectives have failed and the situation will become worse than before. Even if Israel should withdraw now it will find that the situation will not return to what it used to be before the invasion. Rather it will return to a situation in which the balances will not be in its favor as they used to be before and the cooperation between it and the Soviet Union is also different from what it used to be before.

The determination of the Lebanese people to confront occupation, not to abandon their sovereignty, and not to give Israel any gains has also become stronger. Therefore, Israel will face a situation that is worse than it was in 1982.

Question: The question is being raised about the truth of the Soviet attitude toward what has happened in the Palestinian arena. Judging by the stand of the Democratic Alliance, that is the PFLP, the DFLP, and the Palestinian Communist Party, it is said that the Soviet Union is with 'Arafat's leadership of the PLO. What do you think of this view?

Answer: Naturally, we cannot speak for the Soviet Union's policy. The Soviet Union is the one to express its policy, but we can read Soviet policy from the actions and signals that we can see. We begin with the latest Soviet steps and then go slightly backward. The boycott by the Soviet Union and the

socialist camp of 'Arafat's divisive council in Amman is of significance. In other words, the Soviet Union was aware that what would result from this council is what the U.S. plan wants. For this reason it boycotted it. We know that it did not boycott it because it took place in Amman or because holding it at this time in particular is of political significance. By virtue of information available to it the Soviet Union realized that such a step could only be contrary to PLO objectives and to the fact that it is an organization hostile to imperialism, Zionism, and reaction. Another indication [of this Soviet attitude] is that since the beginning of the crisis in May 1983 the Soviet Union has not sent a single message in Yasir 'Arafat's name personally but has always sent such messages in the name of the PLO Executive Committee, which is contrary to previous custom. Another thing is the fact that the Soviet Union is a superpower cannot take a clear decision before the matter in the Palestinian arena is decided. I would reveal here that a socialist country's ambassador told me: I can say that I oppose Yasir 'Arafat, but you must realize that we recognize the PLO as the legitimate sole representative whose chairman is Yasir 'Arafat. Before you resolve what should be resolved in the Palestinian arena we cannot take a decision before you do.

This is a true expression of what is happening in the Palestinian arena with regard to the Soviet stand.

CSO: 4400/56

KUWAIT PAPER INTERVIEWS SAUDI FINANCE MINISTER

GF211130 Kuwait ARAB TIMES in English 20-21 Dec 84 p 6

[By Ahmad al-Jarallah, editor in chief]

[Text] Saudi Arabia's Minister of Finance Muhammad al-'Ali Aba al-Khayl, denied media reports that Saudi Arabia's financial position was weak, adding that "the capabilities and resources of Saudi Arabia were sufficient refutation of such baseless allegations."

During an interview at Riyadh, he categorically denied there were signs of financial weakness in Saudi Arabia and that the government was not fulfilling its financial commitments to local and foreign contractors.

Aba al-Khayl told me that the foreign media news was based on delays in payments to some local and international contractors, but the contractors themselves were responsible for the delays because they did not fulfill their obligations. These delays were due to "mistakes by the contractors" and not because of any financial weakness, the minister said.

Explaining the background, he said that Saudi Arabia had initiated over 4,000 projects for basic services, and many local and foreign contractors undertook new contracts without completing previous ones. They tried to finance the previous contracts with the new ones.

Moreover, some of the foreign companies were asked or even forced by their governments to transact part of their contracts in Saudi Arabia in hard currency. These companies obtained funds from regional and local banks. "This was especially the case when the contractor did not get new work." Some of these companies utilised their profits and money in investing in their countries, thinking their work in Saudi Arabia would continue "for a very long time."

The finance minister said that all these, as well as the fact that some companies did not fulfill contract provisions, resulted in delay in payments. Some contractors had financial commitments to local banks, other contractors and some ministries had falsely claimed they could not fulfill their financial commitments because the Ministry of Finance was refusing to pay them. But the ministry paid all contractors who completed their work according to their contracts, Aba al-Khayl told me.

He added that such problems occurred in only about 10 percent of projects.

"This wrong picture about Saudi Arabia's financial position was mainly created by these contractors in order to pressurise the government, but they failed miserably," he said.

The minister told me that the state had fulfilled its duty by completing the basic and important infrastructure services, and time has now come for the "private sector to play its role." After completing the basic service projects, public expenditure in future state budgets would be "only for incomplete projects and petrochemical projects."

In reply to my question about why the Saudi budget showed a deficit, the minister said that it was "because expenditure exceeded revenue." But Saudi Arabia has "huge revenues" and the government drew from these reserves to cover the deficit.

Answering another question, al-Khayl said that Saudi Arabia used to depend on oil as the main source of income by the end of this decade. Saudi Arabia was also using scientific methods to achieve progress in agriculture.

The minister pointed out that the world "cannot find an alternative for oil and stop using oil, at least in the near future." Al-Khayl expressed his "happiness" at the progress of Saudi Arabia. He said that huge amounts were spent on projects but this speeded up the progress of the country.

About the recession in the real estate sector, he said the present conditions were natural and normal. Al-Khayl pointed out that those companies which based their activities on well planned studies, would face no difficulties in adapting to the new stage. New constructions will drop in the current stage, but completed projects will require maintenance, which will be assigned to the private sector," he said.

To a question why the state had reduced the purchasing price of wheat and other agricultural product, Al-Khayl replied that the present prices, "are not low at all." Al-Khayl explained that the state helped and assisted farmers in the beginning to encourage them "to cultivate the land and use modern farming equipment and technology." Now their position was very good, and the state could not continue its aid forever, he said.

The agriculture industry had successfully passed through the basic state and the private sector now had to play its role, he added. He stressed that present prices were appropriate for the present stage.

I asked whether the Saudi government intended to allow the Saudi banks to increase their capital, which appeared very low compared to their deposits and reserves.

Al-Khayl said that in the U.S., the percentage difference between the capital and assets was only five percent, and the U.S. was considering increasing it to six percent. The position was the same in Saudi Arabia.

Al-Khayl said it was the Finance Ministry's policy that the Saudi banks should be "very strong," to enable them to work safely and not to endanger the money of depositors. However, the ministry will watch the performance of the local banks during the current economic stage, because we cannot take their past performances as an indicator. We shall then decide whether to increase their capital," Al-Khayl said.

Asked if the time was ripe for establishing joint GCC banks, he said this would be "an automatic result" of GCC economic integration and the joint Gulf market. He added that joint banks should be preceded by unification of the currency and more freedom of movement for individuals. He said the establishment of joint banks with huge capitals was "a very good step" and "has been proposed to GCC specialists, "but this step must be preceded by more important ones."

Saudi's finance minister said that GCC economic coordination was more than satisfactory and had "surpassed our expectations." The GCC states were now studying a very important move, namely working out a defined and limited ceiling for the exchange rate between GCC countries. "This is an important step towards a unified currency," he said.

Speaking about ways of starting industries which did not result in competition among GCC states, he said the best way was to standardise incentives, unify laws and sources of information. If this was done then people would not consider establishing an industry without first considering whether there was a simple one in another Gulf state. For example, if there was an industry in Kuwait, then a similar one would not be started in Saudi Arabia.

Al-Khayl said a joint GCC market would certainly benefit citizens because the products of any industry could be marketed in the whole region. "Only the agents of foreign companies would be affected by a joint market," he added.

Al-Khayl said the Bahrain market would "benefit greatly" from the Bahrain-Saudi causeway. For instance, the cost of imports would drop. Moreover, the causeway would activate the Bahrain real estate market because of increased movement with Saudi Arabia. It would also encourage "trade exchange" between the two countries to the benefit of Bahrain consumers. He denied that Saudi Arabia had any intention of putting restrictions on movement through the causeway. Al-Khayl said: "After establishment of the GCC, we want to link our peoples, and the causeway will do this."

CSO: 4400/56

BRIEFS

COFFEE PLANTING RESUMED--Yemen has always been famous as an Arab coffee growing country. Yemen's coffee producing regions have given their names to the most famous varieties of coffee in the world, Mocha and Aden coffees. However, coffee growing in Yemen declined sharply, until Yemen became a coffee importing country when local production, which amounted to 4,000 tons a year, was not sufficient to meet local demand. Realizing that there was a danger that coffee growing might disappear as a source of income, Yemen's Ministry of Agriculture undertook an experiment to replant coffee in the region of al-Dali' which is famous for growing khat. It provided 6,000 excellent quality Yemeni coffee seedlings from the region of Yahr and distributed them to farms in the region as a first step. The peasants and farmers showed great interest in the return to coffee growing in the region. This prompted the Ministry of Agriculture to transport 15,000 new seedlings from the regions which still grow coffee. The ministry hopes that this experiment will be repeated in other parts of the country and wants to expand the coffee growing areas to make Yemen once again a coffee exporting country. [London AL-HAWADITH in Arabic No 61, 2 Nov 84 p 51]
9123

CSO: 4404/99

FINANCE MINISTER INTERVIEWED ON TAXATION

Kabul HEYWAD in Dari 21 Nov 84 pp 1, 2

[Interview with Dr Mohammad Kabir; place and date not specified]

[Text] Recently we received a letter from one of our dear residents of the city, respected A. Mahjur of the public library of Kheyranah, criticizing the income tax procedure applied to government employees and suggesting a revision of the system. In order to respond to the letter, the readers' mail section of HEYWAD interviewed respected Dr Mohammad Kabir, the minister of finance of the DAR, on the matter and we give the exchange below for the information of our readers.

After reading the letter carefully and noting its connection with our question as to when the government employees income tax system was put into effect and what changes have been made in it since, Dr Mohammad Kabir, the minister of finance, replied: The income tax law went into effect from 1344 [21 March 1965-20 March 1966] and became more comprehensive with 13 addenda. According to Article 1 of the law, all citizens of DRA are obligated to pay taxes on any and all income derived from any sources and according to Article 14, salaries and wages are taxable.

Asked how the law determines income tax exemptions for government employees, the minister of finance said: The income tax exemption for government employees is reflected in Article 18 of the law which in effect sets forth deductions according to income scales (of salaries and wages). The amounts of deductions allowed a taxpayer and dependents are deductible from the taxable income and are not subject to taxation.

The fact that the tax law allows 18,000 afghanis for the taxpayer, 12,000 for the spouse, 2,000 afghanis for each child and 1,000 afghanis for each of the taxpayer's dependent parents does not mean that the taxpayer cannot spend more or less than the set amount. The taxpayer can use the total amount of deduction in any way desired to meet the needs of dependents.

In answer to a question as to what portion of income of government employees is taxable and what portion exempt, the minister of finance said: After allowed deductions, the income tax of government employees fall into low percentage taxable categories. Taking into consideration the improved living conditions of the toiling people and the easing of the income tax system, deductions have been allowed for the first 6 categories of the addenda for employees. Thus, tax on lower income employees has been reduced or, conversely, the tax on higher salaried employees has increased. According to current rates, if the income of a government worker, for example, is 4,000 afghanis a month, that worker's annual pay of 48,000 afghanis--if he is married and has 4 children--is reduced for tax purposes by 38,000 afghanis, leaving the taxpayer liable to pay 33 afghanis a month as tax on the balance of 10,000 afghanis. Even the amount of 33 afghanis a month can be further reduced if the taxpayer's monthly income becomes eligible for benefits set forth in addendum 13 of the income tax law.

The DRA minister of finance had this to say in answer to a question on another aspect of this matter; Although the tax on employees of grades up to general director is quite insignificant in the first stage on the above-mentioned basis, yet it constitutes a significant portion of the annual income derived from this source and therefore cannot be overlooked for the following reasons: a) the pay of employees has been increased several times since the law went into effect whereas income tax levels have not been increased at all; b) goods and necessities, specially flour, cooking oil, rice, tea, soap, clothing, etc, are obtained and distributed at very much lower prices than market rates through goods stores and cooperatives, with the difference being subsidized by the government through the Office of Supplies and Needs, the bottom line being that the government employee can obtain the needs of self and family through [state] shops and cooperatives at lower prices. In conclusion, the minister of finance, Dr Mohammad Kabir, said: In regard to the abovementioned information it should be noted that our revolutionary party and government has and is trying to provide the needs of employees and other toilers at reasonable prices through the expansion of services of consumer and rural cooperatives, creation of retail stores and by attracting grants from friendly countries, specially the Soviet Union.

Following the interview with the minister of finance, the readers' mail section of HEYWAD also contacted an official of the DRA Ministry of Justice in regard to our fellow-resident's request. The answer sent us by the legal affairs department of the abovementioned ministry states that since work is being done on the taxation system and its regulatory legislation, the matter put forth regarding the income tax of workers is sure to be reviewed.

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CSO: 4665/01

PRIVATE SECTOR RECEIVED ECONOMIC ASSISTANCE

Kabul HEYWAD in Dari 26 Oct 84 p 2

[Text] The revolutionary DRA government is assisting and protecting the private sector because of its anti-imperialist nature and its effective role in economic growth.

Private sector activities are centered in three areas of the economic sector and show noticeable progress. The creation and operation of light and medium industries are the major activities of the private sector. In the past year, the Supreme Capital Investment Committee recorded a total of 68 medium and small industrial projects of the above sector involving a total capital of 1,245, million afghani largely in the fields of plastics, jacket weaving, rug weaving, processing of casing, chicken food packing, fruit and vegetable canning, wool washing, dry cleaning and salt refining--creating more than 2,891 jobs. Moreover, 29 projects involving an initial capital of 101.5 million afghani were started in 1362 [21 March 1983-20 March 1984] in the fields of spinning, plastic making, weaving, etc. The real value of the products and services of the private sector in these fields in the abovementioned year came to 5.35 billion afghani, a substantial figure in economic growth. And at its meeting a few days ago, the Supreme Planning Committee approved 53 medium and small projects of the private sector involving a total investment of 482 million afghani in the fields of filter making, yarn spinning, aluminum utensils, plastic making, chocolate and candy making, rug weaving, carton making, spinning and raisin packing. Once in operation these would create 1,362 new jobs.

The transport industry is another field of major private sector activity is expanding day to day. In the first quarter of this year [21 March-21 June 1984] privately-owned motor transports carried 384.3000 tons /sic/ goods and 1.3 million passengers. These figures respectively show increases of 29 percent and 1.2 percent when compared to the corresponding period of the previous year. Also private sector transport covered a total mileage 110.8 million kilometers in the transfer of goods, against showing an increase of 3.2 percent compared to the same period of the preceding year.

The third area of private sector activities in our country is in commerce and the import and export of goods. Here in some instances, private

sector activities are more than those of the government so that in the first quarter of the year the net share of the private sector (not including the 'mixed' sector) came to 65.37 million dollars or 42.5 percent of total exports while the private sector's share in imported commercial goods stands at 59 percent, indicating a substantial amount of imports by the private sector. The abovementioned figures are indicative of the revolutionary government's deep interest in the daily increasing growth of the private sector which in turn plays an important role in the development of the country's economy.

5854

CSO: 4665/3

GOVERNMENT FARMS PLAGUED WITH MANY SHORTCOMINGS

Kabul DEHWAN in Dari 14 Nov 84 p 6

[Text] The State Farm Agency was established in 1358 [21 March 1979-20 March 1980] in order to set up modern mechanized ranches on acreages that had become surplus over the allowable land quotas of landowners and big feudalists and come under government ownership as a result of democratic land and water reforms. These areas comprised 18,826 hectares, including 10,056 hectares of grazing land.

In general, the government-acquired farm area terrain is irregular and uneven and lacks an irrigation system as well as infrastructural and residential buildings.

According to scientific and technical principles, until these areas are regularized and divided in sections, irrigation systems improved, sufficient water supplies made available and infrastructural and residential buildings constructed, production in presently-available sectors would be uneconomical.

According to a source at the State Farm Agency, that institution now has 97 tractors, 10 combines, 10 threshers, 22 water pumps and 240 other large and small farm equipment which do not even meet the urgent day-to-day needs of present farms under the authority of that agency.

The fall planting project for 1362-1363 [21 March 1983-20 March 1984] season was carried out in 2,369 hectares, showing a 101 [sic] percent implementation of the plan. Moreover, the spring planting project involved 611 hectares and showed results 7 percent more than the plan called for.

One hundred forth-nine tons of urea fertilizer and 123 tons of phosphates were used in the fall campaign which included the planting of various vegetables, wheat, barley, peas, cotton, sugar beet, linseed, potatoes, greens and fruit. Teams have been sent from the capital to the provinces for what harvesting of government farms.

Through the use of mechanized station combines and the help of volunteer workers, 1,752 hectares have been harvested, yielding 634.85 tons of improved wheat seed and 26.2 tons of barley.

The what harvesting involved 28 instances of voluntary work operations with the participation of the members of the PDPA, workers of state farms and members of social institutions in the provinces, resulting in an estimated income of 425,500 afghanis. And in farms of the capital area, there were 18 instances of voluntary work operations that are estimated to have resulted in an income of 32,550 afghanis.

A source at the State Farm Agency said: This agency's plan had called for the building of the site of the Khawajah Alwan state farm generators before the start of the spring campaign so that following the setting up of the generators and water-pump and the extension of the water pipeline the farm could once again go under cultivation. But since the government planning committee did not provide this agency with the necessary funds, implementation of the aforesaid program was put off. According to the planning committee's decision, the construction and assembly of the equipment has been assigned to the Ministry of Water and Power. It must be noted in this regard that the State Farms Agency has sent the generators and water pumps in question to Baghlan Province and handed them over to the (Kurkan) project but apparently work on construction of the site for the generators has not yet begun. As a result, sugar beet cultivation on the farm in question has been set back and because of a lack of water the harvested wheat is not of satisfactory quality. The source added: According to the project preceding the June-July and spring plantings on the state farms, the estimated needs of fertilizer, insecticide, pesticide and farm hands have been met and political party comrades and members of guilds have been sent to provinces and subprovinces in groups to supervise and control implementation of the project and provide help to state farms where needed.

The work system was planned by the extension office and arrangements have been made for competitive work on state farms in the provinces. Those state farms where party comrades bear responsibility are in the forefront of leading units.

In order to gain the utmost economic gains of the institution and encourage business, constant contacts have been instituted between individual farmers, farming cooperatives, and research and extension farms so that they may visit and see farm production work of state units. At the same time a number of personnel of this agency have been sent to other farming institutions and cooperatives to help in business expansion.

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CSO: 4665/02

GOVERNMENT STORES EXPANDED TO CONTROL PRICES

Kabul HEYWAD in Dari 27 Nov 84 p 1

[Text] Babrak Karmal, general secretary of the Central Committee of the PDPA and chairman of the Revolutionary Council, stated at the recent meeting of the political bureau: One of the ways to control and stabilize prices is to consider increasing the chain of government shops so that people can buy their needs from them.

We bring you a talk we had on the subject with a source at the Ministry of Commerce: Despite difficulties the Ministry of Commerce has tried to follow guidelines and decrees of the respected Council of Ministers in basing domestic trade on the establishment and expansion of government and mixed commercial institutions and cooperation with institutions of cooperative nature and to establish a fixed balance between supply and demand in the marketplace, especially for imported items which are among the basic needs of the public.

The source at the Ministry of Commerce had this to say regarding the network of government retail stores and shops: Taking into consideration the principle of retail sale services coupled with the use of such means to stabilize prices, the Ministry of Commerce has marketed its imported goods at cost price plus a minimum markup.

For its part, the Ministry of Commerce, in accordance with views of the Council of Ministers, has more or less completed the establishment of a government retail authority which will start work in the second half of 1363 [21 March 1984-20 March 1985] in order that goods and products reach consumers at reasonable and stable prices.

Commenting on the benefits and effects of the state retail trade, the source said: For the first time, this institution is based as the core of an organized centralized retail operation which will create necessary facilities to distribute consumer and other goods needed by the public. This source had this to say regarding the method of sales in government stores: In line with the aforementioned decree being augmented in all institutions of this ministry, a price list must be posted in clear fashion above every sale item so that customers may not face any problems.

ARTICLE EXAMINES FUEL DISTRIBUTION PROBLEMS

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 4 Dec 84 p 4

[Text] As our readers are aware, in a past issue of HAQIQAT-E ENQELAB-E an editorial dealt fully with inadequacies in the distribution and sale of oil products and scalping practices by commission agents and at the same time proposed ways to eliminate difficulties in the distribution of fuels, particularly diesel oil and kerosene. At the same time, the problem of distribution and the provision of oil and heating fuels for citizens of Kabul was discussed at a regular session of the PSPA central committee which issued instructions and guidelines on the matter to institutions concerned.

As a result, a commission was directed to take immediate and effective steps in ameliorating the supply and distribution. In addition to diesel and kerosene service pumps in operation in Kabul, additional pumps, each with a capacity of 14,000 liters, were put into operation in the third area of Kheyrkhanah-Minah, Kucheh Bagh Qazi in the old sector, Pol-e Hasandeh Dana, Rahman-Minah, and the Parwan sector. Moreover, an additional gas pump was installed and put into operation in the kerosene storage tank across from the Ministry of Education and Training while three tankers were assigned to move around the city to provide the kerosene needs of residents.

These measures reduced the rush on fuel distribution tanks. As a result, Kabul citizens can now obtain their needs without waiting or standing in long lines.

The urban mayor of Kabul city also acted to prevent scalping by commission agents by arresting two of those responsible for the distribution of fuel at the tank at Nowabad Dahamzang, one of whom had delivered 27 liters and charged for 32 while the other had charged for the price of 15 liters but delivered only 12 liters, as well as one of those responsible at the tank in Shahr-e Now, who had delivered 16 liters but charged for 18 liters. Their case is now under investigation. According to the urban mayor of Kabul city, under DRA law, these individuals are liable to jail terms of 1-3 years.

In response to a letter written to him by this newspaper, the mayor of Kabul writes: Two shopkeepers in the Parwan and Shahrara sectors, Shah

Mohammad son of Feyz Mohammad and Mohammad Reza son of Ata Khan, were arrested and handed over to the appropriate authorities for legal prosecution on charges of adding water to fuel.

Incidentally, this newspaper has received a response from the Office of Oil Supplies in regard to the matter it discussed in its pages which surprisingly deals in generalities and shirks the issue. In the letter we come to such claims as: "The Office of Oil Supplies always tries to prevent irregularity and over-charging by commission agents who will be prosecuted if found in violation of law. Mobile teams from the Ministry of Commerce and the Office of Oil Supplies from time to time supervise oil distribution and legal action against violators have been taken and do take place.

Kerosene dealers operate under permits issued to them by Kabul Municipality and are answerable to authorities concerned. In recent years they have not been supplied with kerosene and diesel oil from oil reserves."

The truth of the matter is that prior to the criticism carried by this newspaper, over-charging, hoarding, rush on supplies and general public dissatisfaction were on the increase despite the presence of representatives of the Office of Oil Supplies at every pumping station. Given the situation which was witnessed by all from morning till dusk not too long ago, what is the intended meaning of phrases such as "Violators have been legally prosecuted"? It must be clarified that "legal prosecution" has not been instituted by the Office of Oil Supplies. If such action has been taken place, it should have been made clear that during the time tank operators clearly and openly were causing disorders, how many individuals from which tanks were subjected to prosecution. And if fuels were not supplied to retailers from tank supplies, where have they been able to sell and even hoard substantial quantities of fuel?

In any case, oil distribution has now returned to normal and proper order is in force but this does not mean that arms should now be folded. Rather, it is imperative that responsible officials of the Office of Oil Supplies effectively prevent repetition of past disorders, not only ensuring a continuation of the present situation but taking even more effective measures in providing the requirements of residents.

We stress once again our proposals that the distribution of fuels should be taken out of the hands of commission agents and carried out by government workers of the Office of Oil Supplies and expect the Ministry of Commerce to inform us of the measures it has taken.

Moreover, new legislation which Kabul Municipality considers necessary should be passed to prevent violations by retail dealers and provide appropriate punishment when violations occur.

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CSO: 4665/6

BAGRAMI COOPERATIVES FACED WITH TRANSPORTATION PROBLEMS

Kabul DEHQAN in Dari 25 Oct 84 p 7

[Text] Today our farmers know the revolution is theirs, that the land they work on is theirs, and that no longer is there the feudal and khan system to plunder the fruit of their labor.

These words were spoken by fighting and patriotic farmer Seyyed Ali of the village of Bagrami in Kabul Province during a discussion with a DEHQAN reporter.

He says: The revolutionary government has given me 12 jarib [approximately 12 acres] of land. Prior to the revolution I worked on the land of others but now the land I work on belongs to me. In my village there are many farmers who have come to own their land.

The farmer who is also the assistant of the agricultural cooperative of the village says: Since the cooperative was set up in our village, farmers have more cooperation with the people, share in each others sadness and joys, resolve each other's problems. Farmers who are members of the cooperative benefit from Agricultural Development Bank loans to buy pesticides and improved seed, and make use of facilities available at the mechanized farm equipment station at reasonable prices. Previously we used rented privately-owned ploughs but not so now. The rental of ploughs at the station is much lower and they do a better job. The harvest is good. Because of increased production of most items, we the farmers of Bagrami call on government authorities and institutions to solve the water problem, which affects all farmers of the village, through a short-term program so that we can increase cultivation and production to allow our people to live in comfort and to strike a hard blow at the mouths of antirevolutionaries who are the servants of American imperialism.

He says: I am a member of the consumer cooperative which has succeeded in attracting 310 farmers to its rolls and to taken appreciable steps in meeting the general needs of farmers. Goods and items we obtain from the cooperative are priced much lower than those in free shops. Our problem is that we have to hire a truck to transport the purchased goods from the cooperative, thus being obliged to add the cost of transportation to our selling prices. We therefore ask government and party officials

of Bagrami subdistrict to provide the cooperative with the needed transportation.

The DEHQAN publication which consistently reflects the needs and desires of farmers draws the serious attention of the DRA's directorate of the Federation of Agricultural Cooperatives to the request of the farmer-members of the Bagrami subdistrict consumer cooperative and ask for an early resolution of their needs.

5854

CSO: 4665/6.

BAKHTAR CITES PDPA ORGAN ON DEVELOPMENT

LD060635 Kabul BAKHTAR in English 0424 GMT 6 Jan 85

[Text] Kabul, 5 Jan (BAKHTAR)--The development expenditure of the state of the DRA has been steadily rising since 1978 at an average annual rate of eight percent, reports daily HAQIQAT-E ENQELAB-E SAWR.

During the period 1978-1984, the daily adds, more than 79 industrial enterprises have been established and put into operation.

In the agricultural sphere, the total acreage of cultivated area has been growing at an annual rate of 15 percent.

During the past revolutionary years more than 680,000 hectares of land have been distributed to the landless peasants and petty landholders and agricultural credits worth 70,000,000 dollars have been given to working peasantry on a short and long-term basis.

Likewise, in order to better serve the peasants of the country and raise their living standard more than 67,000 tons of chemical fertilizers and in worth [figure indistinct] dollar pesticides and insecticides have been distributed to the peasants throughout the DRA.

Five agricultural mechanizations stations and four other agricultural mechanization units have been set up throughout the country.

In the education sphere the number of pupils in the high schools show an annual increase of [figure indistinct] percent from [year indistinct] to 1984 while the number of students in higher education institutions increased by an average by three percent per annum.

The gross national production in the same period showed an increase of 6 percent while the national income increased by 6.3 percent and the gross agricultural productivity by 7.3 percent.

The participation of the state in the industrial production rose up to 20 percent. In the current Afghan year the investment by the state is expected to be more than [figure indistinct] dollars.

The volume of trade of the DRA with the developing countries and with the [words indistinct] countries increased two fold in the past six years while with the USSR it increased by more than three times.

145 LITERACY COURSES CREATED IN TAKHAR

Kabul ANIS in Dari 4 Dec 84 p 4

[Text] Illiteracy and ignorance are sinister leftovers from past corrupt regimes of our revolutionary country. The Nader Dawood families, because of their reactionary and imperialistic interests, did not want the working people of our country to become literate and thus to understand the realities of life because they felt that the continuance of their dominance and rule depended upon keeping millions of toilers of the country ignorant and unaware. Fortunately, as a result of the victory of the national and democratic Sawr [April] revolution, particularly its new and evolutionary stage, the campaign against the deadly sickness of illiteracy was intensified throughout the country and, with the implementation of plans drawn up along scientific lines by the DRA government, to enhance literacy and knowledge nationwide, an all-out fight against illiteracy was launched and has yielded noticeable results that indicate a bright future.

Hayatollah Osmani, director of the anti-illiteracy campaign in Takhar province gave the preceding information and had this to say concerning the start of literacy courses in the region: With the start of the improved phase of the nationwide anti-illiteracy campaign, personnel of the Anti-Illiteracy Office in Takhar province have been able to launch an all-out effective effort and according to plan they have instituted up to the present 145 literacy classes in the province and enrolled 2,977 of our illiterate fellow-citizens in those courses. With the help of 19 regular, 2 contract and 64 honorary and volunteer teachers, half-hour daily classes are held 5 days a week.

The director of the anti-illiteracy campaign said: The personnel conducting the campaign publish material on the benefits of being able to read and write in the TAKHARESTAN magazine in order that the people might become familiarized with the issue and follow up with information sheets, posters and pamphlets distributed at various gathering places. Speaking of the formation of public relations groups designed to encourage our fellow-citizens in literacy classes, he said: Publicity is conducted at gatherings, meetings, mosques, schools and training institutions for both men and women by four groups from the National Fatherland Front, Democratic Youth Organization, the provincial council of the Federation of Guilds and the political committee of Takhar province, districts and subdistricts.

Once families have shown interest in enrolling in literacy classes, survey groups composed of the staff of the anti-illiteracy office and members of the Democratic Women's Organization, in cooperation with the provincial political party committee, visit such families of our dear citizens to encourage and enroll them in literacy classes.

The workers of the Anti-Illiteracy Campaign Office in Takhar Province have pledged, in anticipation of the 20th anniversary of the PDPA, to set up 14 literacy classes in the province by 31 December and enroll 263 individuals in the courses.

Regarding implementation of the current plan, he said: According to the plan provided, by the end of the fourth quarter [ending 20 March 1985] 187 literacy courses, involving 3,740 enrollees, are to be set up on the provincial level. By the end of the second quarter of the year [22 September 1984] we were able to start 145 literacy classes in the province, representing more than 20 percent of the planned target.

5854

CSO: 4665/6

OVER 1500 PEOPLE SIGNED UP FOR LITERACY COURSES

Kabul HEYWAD in Dari 25 Nov 84 p 4

[Text] The task of attracting the illiterate to literacy classes is continuing among households in the ninth party district through five zones. Literacy courses are being established through these zones in various localities, institutions and villages, with illiterates of each locality being absorbed in the courses after a survey has been carried out. The deputy of the political committee of the 9th precinct of Kabul spoke with HEYWAD's reporter regarding what has been done or is being done to enroll 1,575 individuals--900 women, 675 men--in 75 literacy classes set up in residential areas, institutions and factories. More than 30 volunteer teachers are conducting the courses, with each teacher handling two courses. We expect to attract a large number of learners to the literacy courses before the 20th anniversary of the PDPA. Up to now 5,000 people are enrolled in the area's literacy courses.

He added: With the help of the Literacy Office, our area plans to set up two literacy schools for higher age brackets in manufacturing institutions of the region.

Unstinting cooperation of the Literacy Office in the progress of the campaign is a source of satisfaction to us. Teachers and supervisors of the office accompany us and cooperate with us in our rounds.

5854

CSO: 4665/3

EXPANSION OF WEST GERMAN-IRANIAN TRADE EXCHANGES ELABORATED

Tehran ETTELA'AT in Persian 1 Dec 84 p. 4

[Interview with Dr Gruenwald, general director FRG Chambers of Commerce, in Iran, date not specified.]

[Text] Economic Service - Dr Gruenwald, general director of West Germany's Chambers of Commerce and Industries and a former government spokesman, replied to questions from Iranian reporters in a press conference concerning commercial relations between Iran and Germany.

Concerning the motive for his trip to Iran, he said at the start: We have a total of 42 chambers of commerce world-wide. The Iran-Germany Chamber of Commerce, with 560 members, 55 percent of whom are Iranian and the remaining 45 percent German, is one of the most important chambers. The central chambers of commerce organization has given me the mission of obtaining information concerning the goals and daily work of this chamber and Iran's economic situation as well. In reality I have come to Iran as a capitalist and a merchant to gather information to help the two countries' merchants and capitalists.

Concerning trade exchanges between the two countries, he said: Commercial exchanges between Iran and Germany has a long precedent. It is a very important characteristic that the Iran-Germany Chamber of Commerce depends only on commercial and trade affairs, and has no connection with political issues. Next year will be the tenth year that this chamber has been continually active and recognized by Iran.

Trade Imbalance

Concerning the imbalance in the trade relations of the two countries, the general director of Germany's chambers of commerce said: One of our goals is to cooperate in expanding Iranian exports to Germany and increase commercial exchanges between the two countries. This chamber takes the interests of both sides into consideration, and is not active solely in increasing German exports(!)

We have 69 domestic chambers of commerce and a very great number of trade unions in Germany, and we can report Iran's views to them so that they can strive to satisfy Iran's desires.

We have learned that foreign trade relations between two countries must be bi-lateral in the long run, and that uni-lateral relations can only continue for a short period.

Iranian Oil Exports to Germany

Concerning Iran's oil exports to Germany, Gruenwald said: In general, not only in Germany but in many industrial countries, the consumption of oil has decreased. This was a decision by the oil companies, not a purely German decision.

At the present time our oil consumption is about two-thirds of what it was 10 to 12 years ago. All our companies and factories are charged with the duty of conserving energy. At the same time the price of oil in Germany is about 10 times as much as it was 12 years ago.

Furthermore, the discovery of new oil resources in Europe, particularly in the North Sea, has caused us to supply our oil mostly from Europe itself, which is closer to us, and the dangers of transporting oil must also be taken into consideration.

In addition, the existence of free oil shipments on the Rotterdam spot market and the non-existence of state oil companies in Germany has caused a decline in Iranian oil exports to Germany since the German government cannot have any role in the policies of private companies. Nevertheless, we hope that Iranian oil can find its own place in Germany.

He noted that oil transactions carried out in dollars and the increased value of the dollar had no role in Germany's oil consumption, and considered that the most important factor in reducing oil consumption in Germany was obtaining new technologies which have recently been put into use for energy production.

Barter Transactions

The director general of Germany's chambers of commerce continued: We are intensely interested in barter deals which have recently flourished in Iran because we believe that barter deals are much better than not trading at all. He stressed: Our efforts are mainly concentrated on increasing our purchases of Iranian non-petroleum goods.

Concerning technology transfers, he said: We look at this matter from a wider perspective and with great seriousness, particularly following our foreign minister's trip to Iran and his talks there. We are interested in the three areas of transferring engineers, technical training, and professional and language training.

In conclusion he said: Technology transfer is not limited to new innovations which make engineers happy. Facilities and techniques transferred must be of a sort that employees can work with in practice. With the experience we have gained we look at this problem very seriously.

During his stay in Iran, Gruenwald will meet and talk with our country's economic and industrial authorities and directors of factories and private sector companies.

It should be noted that during the first six months of 1984 Iranian exports to Germany totaled 787 million marks and imports from Germany came to 3,566 million marks.

9597

CSO: 4640/179

CONDITIONS FOR IRAN-TURKISH TRADE EXPANSION DISCUSSED

Tehran ETTELA'AT in Persian 17 Nov 84 p 4

[Text] After participating in a meeting of the Permanent Committee of Economy and Commerce of the Islamic Conference Organization in Istanbul, the minister of commerce returned to Tehran yesterday.

The cause of reduction in imports from Turkey has no political motives at all, but it is the low quality and the high cost of goods in Turkey that are the main factors in slowing down the trade between the two nations.

Our minister of commerce, who had gone to Turkey as head of a delegation on behalf of the Islamic Republic of Iran and participated in a meeting of the Permanent Committee of Economy and Commerce of the Islamic Conference Organization in Istanbul, after his return explained the results of this conference in an interview with IRNA.

Brother Abedi Jafari, minister of commerce, pointed out that the ministers of commerce and industries of about 40 Islamic countries had participated in the Istanbul conference and stated: "In the aforementioned conference the draft of the resolution, which had been prepared by the preliminary delegations of participating nations, was approved after proper investigation and discussion."

Our minister of commerce went on to say: "the delegation of the Islamic Republic of Iran, which consisted of representatives from the Ministry of Commerce, the Ministry of Foreign Affairs and the Ministry of Finance and Economic Affairs, presented our proposals in connection with the resolution of this meeting. After due investigation and discussions the proposed draft and other pertinent proposals of the resolution were passed. In this resolution emphasis was put on the expansion of economic cooperation among Muslim countries. According to this resolution economic cooperation was encouraged between the Islamic countries through different means. Creation of barter trade unions of Islamic countries were encouraged with special consideration and preference given to trade between the Islamic countries. Meanwhile, active participation of these countries in trade fairs, which will be held in other Muslim countries, also has been recommended. On the basis of this resolution, closer cooperation of the industries of Islamic countries, standardization of some goods, more beneficial use of available banking services of the Islamic Development Bank and other similar recommendations were made at this conference.

As regards the participating countries in this conference, brother Jafari stated: "The ministers of commerce and industries of Islamic countries from the farthest corners of the globe attended this meeting. For instance, there were representatives of some Arab countries as well as some African and Asian nations. In actuality, this was the first meeting which was held on the commerce, economy and industries of the Muslim countries at this level."

As regards the stance of the Islamic Republic of Iran on the conference and concerning the date and location of this meeting he went on to say: "Among our positions emphasis was made along the defined and determined line of the Islamic economy. It was decided to avoid mistakes contrary to the Islamic economy's policy--errors such as following the economic patterns of the East and the West or the use of 'interest rates' in banking or similar transactions which are strongly prohibited by the Islamic Republic of Iran. One of our positions was the issue of promotion and distinction of the Islamic economy which was proposed as a vital part of the Islamic school versus the communist and the capitalist economy. Also, the position of the Islamic countries versus the enemies of the Islamic world was duly emphasized.

For instance, the boycott of the economy of the occupying regime of Jerusalem and the racist regime of South Africa was strongly proposed by the Islamic Republic. The first motion was unanimously approved and accepted by all the participants. However, the second motion, which was the economic boycott of the South Africa, was not mentioned in the resolution. Hopefully, in future seminars and pertinent meetings this matter will be properly followed by the Islamic Republic of Iran."

Our minister of commerce then added: "The main reason for nonagreement on the latter issue (economic boycott of South Africa) and the future convention of these conference and seminars will depend on the composition of participating members.

As far as the political stance is concerned, some of these countries are poles apart from each other; further more, from the view point of the level of islamization, many of these countries differ greatly from one another in various ways."

In addition, the minister of commerce expressed the hope that the convention of such meetings would serve as a corner stone for the improvement of the economic situation in the Islamic countries.

In conclusion, our minister of commerce acknowledged the hospitality of the Turkish government as being a gracious host and organizer of the aforesaid conference. Moreover, in answer to our correspondent's question regarding the date and location of future meetings of the economic and commerce conference of the Islamic nations he said: "No exact date for the next meeting has been decided on yet; however, these seminars probably will be held once a year and the permanent location for such meetings will be Turkey."

He went on to state: "The members who took part in this conference will be the official participants at the next meeting. There is also the possibility that more countries will join the congregation of the participating Islamic nations in future conferences."

Before returning home, Mr Abedi Jafari, regarding the reduction of Turkish import and the delay in opening foreign exchange credits stated in a press interview in Turkey: "This matter has no political motive. The low quality of the merchandise and the high cost of such goods in Turkey are the main causes for such delays and reductions. However, revival of trade between the two countries will depend on the stability of prices and a higher quality of Turkish merchandise."

12719

CSO: 4640/174

'TINY KUWAIT' CAUTIONED, THREATENED BY LEADING PAPER

Tehran ETELA'AT in Persian 19 Nov 84 p 1, 19

[Text] There is a story with a plot similar to the state of affairs of the Arab sheiks, particularly the sheiks of Kuwait and the deception of tricksters of the political world who have played these tricks and are still playing them on these sheiks.

Once upon a time a sufi [mystic], after tying up his donkey in the stable adjoining the house of Sufis, entered the house and sat among other sufis. As it happens, the sufis were poor and that special night, they had planned to have some fun by singing and dancing along with eating food and drinking some wine; however, they had no money to provide for such purveyances. At once they thought of an idea and led away the new arrival's donkey and sold it. They bought some food and wine with the money thus provided and returned to the house. Singing and stamping began and the sufis in their excitement and feasting accompanied their songs with the verse "The donkey is gone, the donkey is gone...!" The poor owner of the donkey, who had no idea of what had happened, started to eat and drink with the rest of the sufis and accompanied them in their singing. "The donkey is gone, the donkey is gone...!"

After the revelry was over and all had left, the sufi went to the stable to get his donkey but the donkey was no where to be found. He told the stable keeper: "Did I not trust you with the donkey? Why did you not let me know that they had sold the donkey?" The stable keeper said: "By God I tried several times to let you know of the state of affairs but each time I noticed that you were happier than the rest of the sufis, so much so that you were shouting louder than the rest, "The donkey is gone, the donkey is gone...!"

Today, the state of the Arab sheiks and the Kuwaiti leaders bears close resemblance to this story, and what a wondrous story it is! Iraq itself is a party in the war, the United States, the Soviet Union, France and the rest of the leading powers are the principal incendiaries of the war. Egypt, Jordan and Saudi Arabia are the tricksters and the spongers who feast in the convent while their ears are glued to the worlds and gestures of their leaders (U.S., U.S.S.R., etc.). But in a situation like this, what is the business of a small and poor sheikdom like Kuwait and what is she trying to achieve?

On many occasions Iran has warned the rulers of these tiny states, especially the sheikdom of tiny Kuwait--do not be so ignorant of the facts and the true state of affairs--but to no avail. This singing and festive atmosphere which has come about in the Middle East, this boisterous clamor of the donkey is gone, the donkey is gone, is neither meant to attract God's attention nor that of His men on this earth, nor is it to try to provide a safeguard to protect the Persian Gulf states. The tricksters and leaders of the political world in the East and the West are singing a tune mainly depending on your money. They have set up such a festive and rejoicing atmosphere by selling your donkey! They have both sold the donkey and have prompted the owner of the donkey to dance with them! This makes one wonder why you, out of all people, do not understand the situation, or whether you do understand but your condition is worse than that poor sufi who did not know what was happening and sang only in imitation--or else you know and do it anyway!

Four years of the imposed Iraqi war against Islamic Iran have passed and during these four years you have found out that the final winner will be Iran, no matter what. Although this victory is very slow and gradual, surely it will come, however, slowly. As the imam Khomeyni has stated: "We will be the final winner of the war and there is no doubt about that." The Iraqi regime will soon be falling apart, since even if this war continues for 20 years, we will be ready. The perseverance of our nation is unmatched, and we are very patient, too. How long can the Iraqi regime go on under such heavy, ever-increasing debts, and how much and how far can she resort to this and that for help and assistance? At last, the day, which is not far, will come and the Iraqi regime will fall apart. At least let's give it the benefit of the doubt. When that day arrives all the great nations will look only for their own gains and nothing else! The immoderate and unreasonable transgressors understand the language of force well. When they find out that the state of affairs in Iraq has reached such a level that it is going to endanger their own position, they will forcibly and unwillingly disappear from the scene. Exactly the same situation occurred during the last days of the late shah. Those people, after having had coke, candy, food and wine, will stop clapping their hands and dancing and leave the convent for good. Then there will remain only tiny Kuwait and the donkey! The donkey which has been sold to provide for a luxurious and colorful purveyance for the dinner tables of the East and the West and at the same time the final chapter of the Iraqi regime.

It is at this juncture that we would say: O Kuwait, you too are imitating Saudi Arabia, Egypt and Sudan and have been trying to copy nations much too much greater than yourself. Let America, the Soviet Union, France and Great Britain all sing and dance! They are right to do so, since they eat and rob at the same time, but why you, Kuwait? Why do you dance? And for whom are you dancing? They have taken away the donkey, then why are you dancing for joy?! It is certain that all the arms assistance, provision of oil and foreign exchange, which Kuwait and other Arab sheiks have put at the disposal of Saddam, will be gone to the winds. All this help and assistance has, in reality made possible the festive occasions of the

tricksters of the political world. They have in actuality provided for the revelry and boisterous singing and dancing of the spongers of the East and the West and their despicable and foolish followers in the region.

So you see, in either case the little and weaker guys will lose and will lose sooner and even more. It is no surprise that for a long time Iran has been warning and admonishing Kuwait; however, the rulers, who have sold themselves and their donkeys out, are dancing to the tune of London, Paris, Moscow and Washington and are pretending to be far more cheerful than their masters in singing the song: "The donkey is gone, the donkey is gone!" Today, neither the United States nor the Soviet Union spends a red cent out of their own pocket. They feast and throw parties at the expense of the small, timid and despicable governments. They find it easy to be liberal with other people's money. They are doing what England used to do in the past centuries, only changing its format. England intentionally used to run her colonies with the help of non-English soldiers and local victims. In India they used to send the Indians to the battlefields. In fact, they would set the slaves to fight other slaves and the oppressed to fight other oppressed people. To this day the new colonialists and modern Englishmen are following in their footsteps throughout the world. They steal the oil of Kuwait, Saudi Arabia and the rest of the Arab world and impose an inhumane policy on these people. By using the money, the oil, the land, the fields, the islands or a base belonging to these people, and with the help of the same victims, they fight other nations.

It looks as if it is about time for Iran to awaken Kuwait from its sleep of ignorance! It seems that neither advice nor admonition nor moderation nor civility will work. Kuwait is no longer that simple, unaware newly-arrived sufi. That ascetic lost only his donkey, but these people have sold the donkey and themselves too. Although it all amounts to one thing anyway!

Yes, the rulers of Kuwait have sold themselves out to the foreigners and in this convent and this song and the music we see that the donkey of the sufi is the sufi himself--and it has been a good while since the tricksters of the East and the West have bought this sufi! Therefore, Iran sees fit to brandish a whip and punish the people who sell themselves to aliens at the first opportunity.

12719

CSO: 4640/173

IRC PRESENTED AS 'SLAVE OR WORLD ARROGANCE, ZIONISM'

Tehran JOMHURI-YE ESLAMI in Persian 26 Nov 84 p 15

[Text] Last Friday, Alexandre Hay, head of the International Red Cross, published a statement in Geneva in which shameless and inappropriate accusations were leveled against the Islamic Republic of Iran in regards to its treatment of Iraqi prisoners. Following this, the Ministry of Foreign Affairs of the Islamic Republic of Iran issued a statement calling the new position taken by the IRC as untrue and biased, and simultaneously issued a declaration condemning the regime governing Iraq for its use of chemical weapons. In the statement it exposed 9 instances of espionage and prejudice on the part of the IRC. The provocation is not solely the negligence of IRC representatives in truthfully reporting what they confirmed in their official meetings with authorities from the Ministry of Foreign Affairs of the Islamic Republic of Iran concerning incidents in the Gorgan camp. Particularly vexing is the inappropriate behavior and espionage by a number of IRC representatives which has caused problems to the statement by Alexandre Hay, IRC secretary general, once again made plain the lack of impartiality on the part of IRC officials concerning such human circumstances and events. Yet the goal of the IRC is said to be purely humanistic, and its duties, in summary, are supervision of the proper implementation of the Four Geneva Conventions and the two appended protocols regarding the necessity of aiding the sick, wounded, prisoners and civilians during wartime. In this regard the statement by the Islamic republic's Ministry of Foreign Affairs explicitly says: "The Red Cross has never been able to take effective steps regarding the regrettable situation of Iranian POWs in Iraq". While Red Cross reports testify to numerous instances of torture and killing, including the clash in the Mosul-Two Camp during which at least three Iranian POWs were martyred, and numerous cases of beatings, this kind of news has unfortunately not reached the world community. The Red Cross has not yet made a strong, all-out effort to condemn these actions and to eliminate them. Of course the Red Cross has not yet been able to, or better said, wanted to take effective actions in regards to Iranians missing in action, or the thousands of civilian prisoners and refugees including women, infants, and old men, or Red Crescent doctors and medical aides that were kidnapped while performing their duties by the Iraqi aggressor forces. The Red Cross has not investigated these complaints by the Islamic Republic of Iran.

The IRC, which was founded by Henri Dunant in 1863 out of the painful experience of the terrible Battle of Solferino, had no goal other than carrying out unbiased, humane, philanthropic services. Now, 121 years after its founding, persons in charge of the International Committee of the Red Cross, one of the six international organizations in this charitable institution, have delivered the Red Cross into the captivity of arrogance and Zionism. In practice they are driving this international charitable institution towards supporting the arrogant, war-mongers and tyrants, and participate in political games to benefit arrogance and Zionism. They even undertake espionage activities. As Eng Musavi, prime minister of the Islamic Republic of Iran, clearly proclaimed in Tehran on Saturday at the opening of a seminar on the "Islamic Cadres of Iraq": "Espionage by elements of the Red Cross in Iran is completely clear to the government of the Islamic Republic of Iran. The organization's president's support for Iraq is the best proof of the Red Cross' worldwide loss of impartiality". The prime minister stipulated three conditions for the continued activity of Red Cross representatives in Islamic Iran: replacement of Red Cross officials in Iran, an official announcement of a change of policy, and the preparation of an accurate report on the condition of Iranian POWs in Iraq by the United Nations.

Today revolutionary Muslims and the oppressed nations no longer have any faith in the untrue, malicious reports of the Red Cross. While this organization claiming impartiality turns the prayers and praise of Iraqi POWs into brain-washing, and due to its lack of familiarity with the Islamic spirit and beliefs of the Iraqi Muslim POWs treats them and the Islamic republic in a crusader-like fashion, it will never be able to be a source of good works in the Islamic community. Therefore, until such time as significant changes occur in the present cadre of the IRC, there is only a dim chance that it will free itself from the bondage of arrogance and Zionism and put itself at the service of the majority of the human community, who are oppressed.

9597

CSO: 4640/177

POLITICAL ILLS AFFECTING NEPAL EXAMINED

New Delhi DINMAN in Hindi 4-10 Nov 84 pp 16-17

[Nepal Congress leader Ganesh Man Singh interviewed by Trilok Dip at the All India Institute of Medical Sciences in New Delhi; date not specified.]

[Text] ["In view of the manner in which democracy and universal franchise have been cast aside in Nepal today, a revolution similar to the one of 1951-52 is needed. Those forces suppressed then are once again gaining strength. If these elements are not wiped out soon, then Nepal too could some day become another Lebanon." These were the words of Ganesh Man Singh, the 70 year old leader of the Nepali Congress, as told to this correspondent in a special interview at the All India Institute of Medical Sciences. Ganesh Man Singh appeared in good health. He said, "I have come for a check-up. My wife was not keeping good health either, so I thought that she too could have a check-up." In reply to another question he said, "The activities of the Nepal Congress are at a standstill but they have not stopped altogether. When we are not permitted even to hold an assembly or rally, then how can we keep active?" Presented here are a few important excerpts from my conversation with Ganesh Man Singh which lasted for approximately 1 hour and 40 minutes.]

[Question] It is said that after the death of B.P. Koirala a split occurred in the Nepal Congress. Now, at the same time, there are three leaders: yourself, Girija Koirala and Devendra Nepali. What is your reaction?

[Answer] The late Bishreshvar [Prasad] Koirala was a leader of his times like Mahatma Gandhi and Jawaharlal Nehru, his death jolted the Nepalese Congress. It is also true there has been a disruption in the continuity of his values and ideas. However, we will once again make our party active and start a disobedience movement. Our demands are: to stage a revolution similar to the one of 1951-52 and establish democracy and universal franchise; to abolish the Panchayat ['Village Assembly'] system and form a multi-party governmental system; and to establish an interim government, under the leadership of the King, which would stay in power until our demands could be met. As for there being a meeting-point in the varied views of the leadership--it doesn't exist. On the contrary, we have decentralized our responsibilities.

[Question] B.P. [Koirala] too excited a revolt which wasn't successful. Will a modern-day revolution be different from that?

[Answer] You cannot call that revolution unsuccessful. Because of it we reached a consensus regarding the abolishment of the Panchayat Raj. In spite of all constraints and restrictions, 2 million people voted in our favor. Yes, as a result of this, it became undeniably apparent that the King had no control over his government. At that time, the King had assured improvements in the Panchayat system but the government backed away from taking any action. Today, conditions are such that democracy has been wiped out, the institution of universal franchise is at stake, and people no longer have the right of free expression. A restoration of these fundamental rights is imperative.

[Question] From what sections of the population have you obtained support for your demands?

[Answer] We have the endorsement of all sections. In the polls of 1979 it was not one single group that voted in our favor, [all groups did]. The King should try to hold an election similar to the one of 1958 and the truth will become all too clear. As then, the Nepal Congress is regarded as a ray of hope by the under-privileged sections of society, such as cartpullers, rickshaw operators, drivers, etc.

[Question] Has there been any improvement in Nepal's economic situation or has it suffered a decline?

[Answer] Nepal's economic situation is getting from bad to worse. In 1977-78, 40 percent of the population was below the poverty line; that number has now risen to 60 percent. According to a survey conducted by the World Bank, of the 33 poorest nations, Nepal was initially in eighth place; now she ranks fourth. If conditions of corruption, cheating and bribery continue to persist in our country, then a day will come when Nepal will head the list of the World's poorest nations. It appears today that bribery has become a way of life in our country. Nepal, which until yesterday, was considered a paradise of nature has now been affirmed as a paradise for bribery on an international level. You can well estimate the economic situation of a country where a Boeing worth 50 million is procured for a sum of 170 million--and that too a used one. It is good that scandals within Lockheed came to light because that brought to public knowledge the corrupt Boeing deal in Nepal.

[Question] In your view, has there been an improvement in Nepal's relations with India or has the gap widened, and why?

[Answer] Differences are bound to arise between an autocratic state like Nepal and a democratic India. How can a country that cannot establish internal peace have peace outside (that is, vis-a-vis other countries). Good relations with India are contingent upon the restoration of democracy in Nepal.

[Question] According to some people, Nepal's rulers seem to be fearful of India. Are there any basis for these allegations, or are they just a form of propaganda by the Pakistan-China lobby?

[Answer] This is all due to the influence of the Pakistani and Chinese lobbies. The fact of the matter is that China holds plenty of influence over Nepal. On one occasion when the King was not accorded a "very cordial welcome" by the Soviet Union, he was asked--on his return from Moscow--by reporters in New Delhi of the state of relations between India and Nepal. He replied, "If Nepal's rebels are not checked, we will have to seek help from China for this purpose." There was a great hue and cry over this remark. A few days later, when the same topic of discussion sprung up with Foreign Minister B.P. Shahi in New Delhi he replied, "Is it appropriate for newspapers to publish what leaders discuss between themselves?" (This event occurred on September 21, 1979.) When the King himself is full of praise for China and Pakistan, then who can stop his supporters from doing likewise.

[Question] At one time the King too made an assertive "Zone of Peace" proposal. What happened about that.

[Answer] What Zone of Peace and on what basis? Does the value of any proposal increase if it is endorsed by Venezuela and Costa Rica--countries that are thousands of miles removed from Nepal? If, on the other hand, countries like India and China were to endorse the "Zone of Peace" proposal, then only can it have some import. India has however rejected this proposal.

[Question] When in your view Nepal is a picture of such gloom, what remedy do you prescribe?

[Answer] The King should extricate himself from the clutches of the Ranas and restore democracy with the support of the Nepal Congress. Nepal should strengthen its ties with India because we have spiritual and emotional links only with India, not with China. If the present Panchayat system continues, and China and Pakistan continue to exert influence, then, rest assured, Nepal will become another Lebanon within the next five years.

[Question] It is said that a dialogue is in progress between the King and members of the Nepal Congress...

[Answer] No, there is no dialogue in progress; however, Girija Koirala met with the King on two occasions. The King discussed the state of the country with him. The fact is that the King does listen and also gives assurance, but later his advisors completely undo his efforts. This is the reason why the King is going down in esteem. What is required now of the King is that, with India's aid, he should attempt to free himself from the influence and control of the Ranas. At the same time, a feeling of mutual trust should be established between the various groups in the country. The trouble is that today the King is entrapped in the circle of members of the Rana clan and the Panchayat.

[Question] Is support for your Party greater in the Terai or the mountainous areas?

[Answer] It is good in both but in both areas the ruling clan dominates. In fact those people are the real citizens; the rest of us are almost aliens. We are merely the King's followers, not even his subjects.

[Question] It is generally believed that there is a feeling of aloofness towards the people of the Terai.

[Answer] This can be construed in the sense that in the military and commercial sectors preference is given to Gorkhas, the remainder of the population is relegated to a secondary status. Because the King himself is a Gorkha, he has faith only in his own kinsmen. The military is comprised 100 percent of Gorkhas. That is why they wield undue influence and control.

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CSO: 4624/02

SRI LANKA

PUBLIC REACTION TO DROPPING PROPOSALS ON TAMILS REPORTEDLY MIXED

HK270908 Hong Kong AFP in English 0817 GMT 27 Dec 84

[Report by Neville de Silva]

[Text] Colombo, 27 Dec (AFP)--The Sri Lankan Government's decision to abandon proposals aimed at ending the island's Tamil separatist crisis met today with a mixture of public relief and despondency.

The proposals to end the ethnic conflict, which has claimed at least 404 lives by official counts since 19 November, were abandoned at a cabinet meeting yesterday.

President Junius Jayewardene had presented the proposals, granting greater district autonomy to the Tamils, to a national roundtable conference 13 days ago.

The country's major political parties and ethnic groups, which made up the conference, have yet to pronounce on the decision.

But an editorial in the independent--SUN--newspaper today which read: "We are sure the nation as a whole did heave a sigh of relief when the decision was made public yesterday," reflected public relief, observers said.

The government said yesterday it had dropped the proposals, after the major Tamil political party had publicly rejected them, because "no useful purpose could be achieved in discussing or arriving at a decision" on them.

Public relief reflected the groundswell of opposition which the proposals had provoked during the year-long national roundtable conference of political parties and ethnic and religious groups, which ended last week, the observers said.

Many people interviewed today by AGENCE FRANCE-PRESSE expressed their relief the proposals had been dropped.

They said that if the Tamil United Liberation Front (TULF) had spurned proposals that Sinhalese parties and organizations had thought were too sweeping, then TULF "did not deserve sympathy."

Leading Sinhalese political party, the Sri Lanka Freedom Party, an influential section of Buddhist monks and Cabinet Minister Cyril Mathew all publicly opposed the draft.

Mr Mathew was sacked by President Jayewardene on Monday for his outspoken comments.

Anti-government forces would also have joined under cover of the anti-proposals agitation to create disturbances which could have erupted in another round of anti-Tamil violence, observers said.

This might have entailed the re-deployment of security forces leaving the troubled north and east vulnerable to separatist attacks, they added.

But alongside the relief that a major flare-up had been averted, there are growing fears that the country is drifting aimlessly with no signs of a realistic solution to the crisis, observers said.

"We are now no nearer a solution than we were one year ago. In fact the situation is worse now," a public servant told AFP.

"Our problem is that we have brought Indian intervention nearer because a political solution is further away," he added.

Many other people agreed that unless a political settlement can be found quickly, Indian intervention or at least increased pressure from New Delhi, cannot be ruled out.

CSO: 4600/180

SRI LANKA

CITIZENS CALL FOR ETHNIC CONFLICT SETTLEMENT

HK010618 Hong Kong AFP in English 0556 GMT 1 Jan 85

[Text] Colombo, 1 Jan (AFP)—More than 2,000 people across the country today issued a public appeal urging the government and political groups to settle Sri Lanka's ethnic conflict.

The New Year's Day appeal was signed by about 2,300 people, including more than 300 Buddhist monks, over 200 Christian clergymen, Moslems, Tamils and Professionals.

The appeal for "peace with justice" came just 1 week after the cabinet abandoned a package of proposals to give greater autonomy to the Tamils and more representation to minority interests through a second legislative chamber.

The government said the proposals were dropped because they were rejected by the major Tamil political party, the Tamil United Liberation Front (TULF).

"We invite all people's organisations and political groups to help generate the consciousness required for a peaceful solution of this problem that threatens to destroy our civilized way of life and the future of our children," the citizens' appeal said.

It deplored the "escalating cycle of violence and counter-violence," saying that violence and military action could not offer "an adequate or desirable solution to our problem."

Some militants among Sri Lanka's 2.5 million Tamil minority are waging a bloody campaign for a separate Tamil state in the north and east, where most of the country's Tamils live, on the grounds they are discriminated against by the Sinhalese majority.

CSO: 4600/180

SRI LANKA

INDIAN DAILY EXAMINES TAMIL SITUATION

BK240619 Delhi NATIONAL HERALD in English 12 Dec 84 p 7

[Editorial: "Sri Lanka on the Brink"]

[Text] Resumption of violence in Sri Lanka since the end of last month has already claimed nearly 450 lives. In the sequence of events due note must be taken of the National Security Minister, Mr Lalith Athulathmudali's statement at his 1 December press conference in which he claimed that 4,000 Tamil guerrillas were preparing to invade the country from their alleged hideouts in Tamil Nadu in India. This was apparently a justification for the Sri Lankan Army's reign of terror in the Mullaittivu District in which over 70 Tamil youth were shot dead and troops rounded up almost 300 Tamils after a house-to-house search of the district. The imaginary threat of invasion was also used to attack a flotilla of fishermen by the Sri Lanka air force on two subsequent days.

This whipping up of a war psychosis justified the imposition of a 42-hour curfew, which has now been extended to 62 hours, and announcement of an imposition of emergency "protective" powers, by the Sri Lanka Government. Under these powers the government troops have not only conducted a house-to-house search and held what the government calls over 300 suspected Tamil rebels, but 600 Tamil prisoners too have been removed from jails in the north to unknown destinations. In these developments, the moderate Tamil leaders see a return to the days of June 1983 which not only saw a wave of state-sponsored anti-Tamil riots and violence but also signs of genocide encouraged by the hardliners of the Sinhalese-dominated government headed by the prime minister, Mr Premadasa.

These riots, soon after the import of large quantities of weapons from Israel and South Africa and on the eve of oft-postponed all-party round table talks to resolve the Tamil demands, scheduled for 14 December, give rise to speculation about the real intentions of the Sri Lanka Government. The leaders of the Tamil moderates like the Secretary general of the Tamil United Liberation Front (TULF), Mr A. Amirthalingam, who are now pleading with the Indian Government to intervene have always maintained that Mr Junius Jayewardene's government is not serious about finding an amicable solution to the problems of ethnic Tamils. India has repeatedly denied all charges about training or helping Sri Lanka guerrillas but to no avail. The Sri Lanka Government would do well to join talks with the moderate leaders of the Tamil minority rather than look for alibis for its failure and implicate India unnecessarily. No purpose will be served by seeking U.S. intervention. It is significant that President Reagan has sent General Vernon Walters as his special envoy to Sri Lanka. Earlier attempts to involve foreign powers have only helped to make the island republic a hot-bed of international intrigue.